



Homer City Hall

491 E. Pioneer Avenue

Homer, Alaska 99603

www.cityofhomer-ak.gov

City of Homer Agenda

City Council Worksession

Monday, September 20, 2021 at 5:00 PM

Cowles Council Chambers

Webinar ID: 965 8631 4135 Passcode: 792566

Dial: 1 669 900 6833 or 1 253 215 8782 or Toll Free 877 853 5247 or 888 788 0099

CALL TO ORDER, 5:00 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 Campus Redevelopment - Foundations and Futures

1. Memorandum 21-164 from Deputy City Planner and Special Projects Coordinator as backup
2. HERC Vicinity Map
3. 2018 HERC Task Force Final Report
4. 2015 PARCAC Needs Assessment
5. Stantec Upgrade Analysis Report
6. 2005 CSL Feasibility Study
7. 2007 ECI-Hyer Report
8. EDA NOFO Chart
9. ARPA Tourism NOFO
10. Ordinance 21-58 and related Memorandum 21-159

COMMENTS OF THE AUDIENCE (3 minutes)

ADJOURNMENT

Next Regular Meeting is Monday, September 27, 2021, at 6:00 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 and via Zoom webinar.



City of Homer

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Memorandum 21-164

TO: Mayor Castner and Homer City Council
THROUGH: Rob Dumouchel, City Manager
FROM: Julie Engebretsen, Deputy City Planner and Special Projects
Coordinator
DATE: September 20, 2021
SUBJECT: HERC Campus Redevelopment – Foundations and Futures

Background

For over twenty years, the city has considered how to utilize the 4.3 acre property at the corner of West Pioneer Ave and the Sterling Highway. Numerous possibilities have been explored by several different groups of people. The most recent effort was the 2018 HERC Task Force. Further information such as floor plans can be viewed here: <https://www.cityofhomer-ak.gov/planning/herc-1-where-are-we-where-have-we-been-and-where-do-we-go-now-0>

Generally, reports and recommendations have pointed to demolishing the buildings and building a new structure; it's not cost effective to retrofit the current structures. To date, the city has not created a strategic plan for what would be part of a new structure, nor for paying operations and maintenance costs. Gymnasium? Daycare? Conference Center? Performing Arts Theatre? What's the impact to the city budget? Retaining the property for a public use and recreation has emerged as a community value, but the details remain unfocused.

New opportunity

Federal ARPA grant funding of up to \$10,000,000 for travel, tourism and outdoor recreation is available through the Economic Development Administration. Grant applications are due at the end of 2022/January 2023. Homer has the opportunity to apply for funding to demolish the old structures and build a new facility. But before the City can prepare a grant application, there needs to be a clear plan of what activities will happen in the building, and an ongoing business plan.

Ordinance 21-58 appropriates up to \$75,000 for professional services. Staff expects bids to come in well under this number, however, a contingency fund is desired to ensure maximum flexibility within the short timeline available. This contract would fill the gap between the work that has already been done, and the information needed to apply for this federal grant. The big unanswered questions are:

1. What combination of activities, which are feasible and desirable, to house within the building.
2. Projecting the capital as well as ongoing operation and maintenance costs for the facility.

To answer these questions, the (draft) scope of work is as follows:

3.0 SCOPE OF SERVICES

The Respondent shall provide the following services and associated work products.

Respondent shall, at a minimum, address the following topics:

Market analysis

1. Define the impact of a new multi-use recreation facility and the competitive advantages and disadvantages of the proposed facility within the City of Homer.
 - a. Work Product: Letter Report
2. Conduct a comparative assessment of Homer indoor recreation, arts, theatre meetings and rentals and describe the advantages or disadvantages to a new indoor recreation facility on different user groups.
 - a. Work Product: Letter report with a brief update of changes since the 2015 PARC Needs Assessment

Socioeconomic analysis

1. Develop a 5-year, profile of the local/regional population and economic trends and the relative impacts on the recreation facility and other potential multi-use facility partners.
 - a. Work Product: Report on demographic and economic trends report, with impact of a new facility on the Homer economy.

Community Engagement

1. Conduct community and stakeholder meetings to share and assess the findings of the scoping study.
 - a. Work Product: Letter Report
2. Conduct Scoping Workshops with other potential partners, stakeholders and organizations whom could share physical space in the multi-use recreation facility.
 - a. Work Product: Report of organizations contacted and interest and financial ability to participate in a shared facility.
3. Identify and connect private and public operational and maintenance funding sources with strategies that combine the resources for optimum project value including but not limited to:
 - a. Special interest groups;
 - b. Economic development groups;
 - c. Naming rights;
 - d. School district
 - e. Local organizations and local partner boards and groups; and
 - f. Key City officials

- g. Voter approved dedicated funding source
Work Product: Potential Funding Strategies

Building Project Assessment

1. Provide conceptual plans, which identify and recommend internal amenities and design features.
 - a. Work Product: Three conceptual plans of the proposed facility.
2. Provide three conceptual site plans demonstrating how the 4.3 acre site can be efficiently used for additional buildings and uses in the future.
 - a. Work Product: Three conceptual plans of the proposed site.

Operational, Financial, Economic analysis

1. Identify and develop strategic revenue resources such as individual, user groups, community partners and outside resources.
2. Identify and develop detailed revenue projections and a recommended base fee structure for daily, monthly and annual facility use along with current programming and opportunities including lease/rental space, using the proposed multi-use recreation facility.
 - a. Work Product: Spreadsheets
3. Develop a cost recovery model based on potential revenue projections.
 - a. Work Product: 5 year Financial Plan
4. Develop detailed estimates for annual costs of operating the facility.
 - a. Work Product: Operating Budget

Final Report and Deliverables:

1. Kick-off Meeting;
 2. Bi-monthly conference calls with project lead and/or meetings with City staff and specified stakeholders;
 3. Two update presentations to the Homer City Council.
 4. Develop three site plans for proposed facility, recommended size of facility and conceptual plans.
 5. Develop conceptual three site plans encompassing the whole property.
 6. Draft a report of Market Analysis, Competitive Market Analysis, Building Project Assessment, Operational, Financial, Economic analysis for City project lead review and input;
 7. Presentation of findings to City of Homer staff, City Council, and Key Stakeholders; and
 8. Final written report including five hard copies and one digital PDF file.
- A. City Provided Accommodations

The City will provide access to staff and current facility budgets pertaining to analysis of the requested information, contact information for key stakeholders, known user

groups, HERC Task Force Recommendations, 2015 Parks Art Recreation and Culture Report, and other documents on file for needed feasibility study background.

Conclusion

As pointed out at the last work session by Tim Dillon, KPEDD Executive Director, this ARPA funding is likely to be a once in a generation opportunity. If Homer wants to be able to apply for funding, additional and immediate work is needed to fine tune our community plans for this property.

Attachments

1. Map
2. 2018 HERC TF Report
 - a. https://www.cityofhomer-ak.gov/sites/default/files/fileattachments/city_council/meeting/28781/herc_tf_final_report_11_30_18_high_res_-_copy.pdf
3. 2015 PARC Needs Assessment
 - a. <https://www.cityofhomer-ak.gov/recreation/park-art-recreation-and-culture-needs-assessment-parc>
4. 2016 Stantec Report, HERC 1 Upgrade (Police Station)
 - a. https://www.cityofhomer-ak.gov/sites/default/files/fileattachments/planning/page/74401/2016_stantec_herc_building_upgrade_analysis_report.pdf
5. 2005 Conference Center Feasibility Study
 - a. <https://www.cityofhomer-ak.gov/economicdevelopment/feasibility-study-potential-new-conference-center-homer-alaska-2005>
6. 2007 ECI/Hyer Report, Conversion to civic offices and assembly hall cost estimate
 - a. https://www.cityofhomer-ak.gov/sites/default/files/fileattachments/planning/page/74401/2007_eci-hyer_conversion_to_civic_offices_assembly_hall_cost_estimate.pdf
7. ARPA Tourism NOFO
 - a. <https://www.grants.gov/web/grants/view-opportunity.html?opId=334748>
8. EDA NOFO Chart

Exhibit A



Vicinity Map

0 50 100 200
Feet

450 Sterling Highway
2016 Photo; property lines not exact.
Map created 3/6/2019 COH P&Z

HERC TASK FORCE

Final Recommendation Report

November 27, 2018

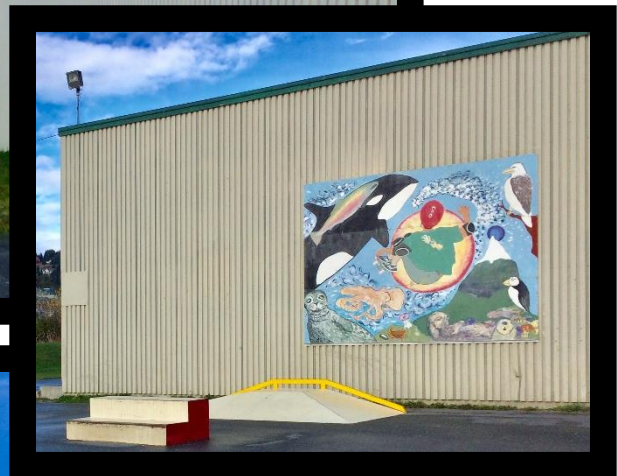




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PREFACE

The Homer City Council adopted Resolution 18-036(A) establishing the Homer Educational and Recreational Task Force, (HERC TF), to:

- (a) Determine the “financial resources required to use the building [HERC-1] and if leasing is a feasible option”;
- (b) Evaluate four scenarios for the HERC-1 to include a new facility “that meets the recreational needs of the community”; and,
- (c) Provide a “recommended preferred alternative”.

HERC-1, a 16,800 square foot wood building, and HERC-2, a 7,600 square foot concrete block building, were constructed in the mid-1950’s as educational facilities occupying a 4.3-acre parcel.

On 12 June 2018 the HERC TF began meeting to address the items identified in the Resolution. Those efforts were to focus on a feasibility study and consequent recommendations. Subsequent to the initiation of work, Resolution 18-036(A) was clarified in Council Memorandum 18-090 directing the Task Force to determine the cost to demolish HERC-2.

It was confirmed that both buildings require material renovations/repairs to extend usefulness over five-years, 10-years and longer. The longer the period, depending on community use, the more substantial renovations and associated costs. Building new, at comparable size, is determined to be extremely expensive.

Thus, given the results of the studies, the TF determined that any substantial construction and associated funding alternative necessitates further analyses. Consequently, the TF determined a 5-year period, using the lower level gym and exercise rooms while keeping the upper level in warm static status, will provide ample time for a follow-on group to further analyze a path forward and consequent funding.



SECTION 1: HERC FEASIBILITY STUDY & RECOMMENDATIONS

Task Force Recommendations:

1. Keep HERC-1 in warm status for the next 5 years to allow continued public use while pursuing funding mechanisms for a determined use.
2. Within the first year, make the necessary repairs needed to maintain HERC-1 in warm status and prevent further deterioration. (Estimated Cumulative Expenditure \$60,000-\$100,000, see Chapter 3)
3. City Council form a new HERC committee or a task force this winter to investigate community capacity to spearhead funding methods to address community recreational and educational needs. Preferred funding is, but not limited to, a public-private partnership for occupancy options (to include the upstairs) and funding of HERC-1
4. Leasing HERC-1 is feasible in the near (5-year) and longer term (10-year) periods. A lease or rental agreement is based on building use and associated repair and/or renovation costs. Funding would be based on the agreements and sources of money such public-private partnership among other potentials. (Refer to TF Feasibility #5)
5. The Task Force has identified the 60-year-old HERC 1 building without substantial repairs may not have safe, ongoing or efficient use beyond 5 years. If a long term solution is not implemented over a five-year period, options for HERC 1 could range from planning a new facility, demolishing HERC 1 and 2 (or taking advantage of any major changes that are not foreseeable right now), while reserving the property as a park until a long term plan for the property is developed for the site.

Task Force Feasibility Determination Per City Resolution 18-063(A) and Memorandum 18-090

1. Can the upstairs of the HERC be safely used with no capital improvements?

Yes. The HERC Task Force applied to the State Fire Marshal to determine if the upstairs can be used as-is and retain its previous International Building Code (IBC) Business B-Classification. The Fire Marshal approved this occupancy in November 2018. There are some immediate costs, such as the roof, that requires attention to maintain the integrity of the building for five years. A further breakdown of this and other items can be found in Chapter 3.

2. What are the minimum improvements that would be needed to safely use the entire HERC facility and cost associated with those improvements?

Approximately \$500,000 would be a bare minimum to maintain IBC assembly occupancies of A-3 on the lower level, and B on the upper level. These improvements would extend the life of the building approximately 10 years, but does not result in a modern, energy efficient building.

3. What are the desirable improvements that need to be made to the entire HERC facility to allow it to be used to its full potential for the next 10 years?

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. A partnership could be a school program, non-profits, or a for-profit start-up, and would allow the City to retain the building without having to pay all of the increased facility costs, such as operations and maintenance. Building use in this scenario is limited to IBC A-2 thru A-4, B & E (including day care) Classifications. If an Educational (E) occupancy or K-12 school is desirable, then the cost rises from \$900,000 to \$1.3 million dollars, mainly for sprinklers and basic safety upgrades. These improvements would extend the life of the building approximately 10 years, but does not result in a modern, energy efficient building.

Briefly, a remodel of \$2.5 to \$3 million dollars would extend the life of the building approximately 20 years. A full renovation of \$4.5 M to \$ 5M would extend the building 30 years or more. Neither the complete extent nor all costs are currently determined. Chapter 3 provides more detail on these cost estimates. [Note: The above rough order of magnitude costs reflect 2018 dollars and are subject to possible 15%-20% inflation corrections.]

4. What would it cost to demo the HERC and build a new facility that meets the recreation needs of the community on the existing site.

Demolition of HERC-1 is estimated at \$750,000 and HERC-2 at \$250,000.

A new 8,500 square foot building would be a minimum size, with perhaps 12,000 square feet being an optimum size. The current HERC-1 offers 16,000 square feet. Roughly, new government construction costs about \$400 per square foot, therefore an 8,500 square foot structure would run about \$3.4 million dollars for conventional construction. If a private party were to construct a pre-engineered metal building, costs could be lowered to about \$250 per square foot, or \$2.13 million dollars. The City would need a plan to pay for construction and ongoing maintenance and operations costs. That financial plan and revenue stream would dictate the size of building the City could afford to build and operate. See Chapter 3 for further details. [Note: The above rough order of magnitude costs reflect 2018 dollars and are subject to possible 15%-20% inflation corrections.]

5. How can the City pay for operations, maintenance, and any required capital expenditures?

This question is answered in two ways: near term and long term. In the near term, existing operations and utility expenses are \$23,000 (2017); see Chapter 4 for a detailed analysis. Higher fees may cover more of the current operating costs, therefore the Task Force recommends analyzing and potentially increasing HERC user fees and consider gym and zumba room rentals.

If the building is used for longer hours, or if the upstairs is used on a regular basis, operational costs will correspondingly increase. Additional revenue is necessary to offset increased personnel and utility costs. Allowing community organizations/user group rentals may generate this additional revenue. A

key component for successful short-term revenue and more intensive use is active building management by a designated building manager.

Capital expenditures could be funded from the existing HERC building depreciation reserve fund, potential operating surplus, or other sources as Council determines appropriate.

In the longer term, 5+ years or more, a partner is needed that would have access to foundation grants or other private funding sources not readily available to the City. Currently there does not appear to be broad community support for increased taxes to pay for changing building uses (i.e. building code classification changes for the upstairs) or a significant renovation. City finances do not allow for increased HERC building operating/maintenance expenses unless offsetting additional revenue is generated. At present, Fireweed Academy could be a possible lessee but would require substantial capital improvement to meet public school occupancy requirements. Considering this, the Task Force recommends the City actively pursue a public-private partnership for investment and use of HERC-1. Other options include state and foundation grant funding, a ballot measure for a new tax, a commercial loan, or a service area.

6. Is leasing HERC an option?

The building in its current state and the lack of funding for major capital improvements precludes a viable long-term lease arrangement. However, there is initial interest in leasing the building. During the Task Force process, Fireweed Academy and Bunnell Street Arts presented ideas to use the building. In recommendation #3, the Task Force recommends a new group to continue working on the HERC, and include the opportunity for any other interested organizations to come forward (see Recommendation #3 and Chapter 5). A long-term lease may allow for financing options such as a commercial loan that could be repaid through rental income.



CHAPTER 1: Acknowledgements, Methodology, & Process

Task Force Members

- ❖ David Derry
- ❖ Michael Haines
- ❖ Paul Knight
- ❖ Deb Lowney
- ❖ Karin Marks
- ❖ Crisi Matthews
- ❖ Barry Reiss
- ❖ Larry Slone

Staff

- ❖ Julie Engebretsen

Process

The City Council adopted Resolution 18-036(A), creating the HERC Task Force and assigned a set of tasks. The Task Force held a series of meetings between May and November 2018. Using their diverse backgrounds, the HERC Task Force approached the specific tasks set by City Council by establishing small working groups; these efforts were merged into creating this final report.

The Task Force also realized that any recommendations to City Council would require at least some justification for a refurbished or new building: a “build-it-and-they-will-come” approach was not a viable strategy. To achieve this, the Task Force “listened”. They listened to City Council, listened to Homer residents, listened to Homer City employees, listened to non-profit organizations, and listened to for-profit businesses. Brown bag lunches, focus groups, one-on-one meetings, broadcast interviews, City Council presentations, site visits, and presentations by interested parties all aided the information-gathering efforts.

The results provided in this final report represent a reasonable estimate of a future building configuration, the needs of the community, and the construction costs.

Limiting Conditions & Disclaimer

This report contains costs, prices, expense analyses and forecasts that are based on Task Force members’ respective backgrounds/professional experiences. These are considered estimates, subject to further investigations and analytical activities as appropriate.

The report also includes construction, demolition, and repair/renovation cost estimates based on prior architectural and engineering studies, general construction research, and general knowledge and experience of Task Force members. Correspondingly, the report contains operational expense analyses, price/rent scenarios, and costs considered related to a valuation product. None of the data or comparisons constitute an appraisal and are not the result of professional analysis or an opinion of value. The information is provided based on data generated within the Task Force, as part of its collective work, thus all costs are estimates only, subject to professional/contractor analyses for confirmation and/or correction. Accordingly, the Task Force provides only a general perspective and assumes no liability for the data in the Task Force Report.



CHAPTER 2: HERC Background & Opportunities

Background

The HERC property encompasses 4.3 acres in downtown Homer. The property was originally donated by community members for school use and included a deed restriction. While the deed restriction has since been lifted, there is still strong community attachment to the land and desire to honor the public use of it. The property presents the opportunity to provide a gateway to downtown Homer and is centrally located on the corner of the Sterling Highway and Pioneer Avenue.

There are two older school buildings on site: HERC-1 is approximately 16,000 square feet and includes a gymnasium. HERC-2 is the second building; a smaller, two story concrete structure that was formerly the high school. The Task Force study of HERC-2 was limited to estimating demolition costs (See Chapter 3).



2003 photograph of the HERC property. HERC-1 (on left) is the focus of this report. HERC-2 (on right), is only discussed in terms of demolition costs.

HERC-1 was built in the late 1950's and has served as an elementary, middle and high school. Day use as a school ended in 1997 with the opening of West Homer Elementary School. In 2000, the Kenai Peninsula Borough deeded the property to the City for the purchase price of \$1. At the time, the Kachemak Bay Campus of the Kenai Peninsula College leased the upstairs, and the Boys and Girls Club used the gym for after school and summer programs. In 2010, the college moved out and some of the City Hall offices were temporarily relocated to the building while City Hall was renovated. In the spring of 2013, the Boys and Girls Club closed permanently.

Currently, the City's Community Recreation program uses portions of the lower level of the building for recreation programs. A full history of the building, its uses, and engineering reports can be found on the City website under the Homer City Council January 18, 2018 worksession meeting packet.

Opportunities

One key asset this property presents is an anchor for Pioneer Avenue and the entrance to downtown Homer. The public expressed sentiment that this land was donated for public purpose, and that it has high value as public space. Site planning should be on a long-term basis, not a short-term horizon. Even having a large mowed park for a period is a community asset until the community determines to renovate or build a new facility. This decision could be 10- 15 years in the future. Another opportunity is to sell a portion of the land to pay for a new building or renovate the HERC. With some subdivision, utility, and demolition expenses related to HERC-2, it is conceivable that the City could secure \$500,000

for the sale of a 1.5 acres site corner of Woodside and West Pioneer Avenues. See Chapter 5 for more funding opportunities.



Skate Park that was constructed while the Boys and Girls Club occupied HERC-1.



CHAPTER 3: Feasibility Analyses of HERC-1, Cost to Demolish HERC 1 & 2, and Proposals on New Facility

The City Council resolution required both (a) recommendations and estimates of costs to renovate the existing HERC-1 building given various scenarios; and (b) the costs to demolish the existing HERC-1 and construct a new building “that meets the recreation needs of the community,” (City Resolution 18-036(A), lines 58 thru 76). The HERC-2 building is not included in these recommendations other than providing a cost to demolish (Memorandum 18-090).

When reviewing the following recommendations and implications, it is also important to relate them to the forecast of demand for services for any renovated or new building. For example, as discussed in Chapter 6 of this plan, immediate demand for potential HERC-1 uses are relatively small and primarily focused on recreational activities (gym and exercise space). Yet demand is expected to grow over the next five years and may encompass other uses, e.g. education.

Implications of Renovating the Existing HERC Building

The original Task Force directive from the City Council was to use a “10-year” timeframe when considering improvements that need to be made to the entire HERC-1 facility to allow it to be used partially or to its full potential. The prior reports the City has obtained indicate the building was built ‘well for its time.’ The Task Force explored the concept of rehabilitation with the assumption that the structure, although not new or efficient, has usable life left if investment is made to prevent further deterioration. While investigating renovation and demolition costs, it became apparent that a 5-year plan would better address the overall goals established by City Council.

If the City waits 10 years to renovate/remodel the HERC-1, the cost to do so would increase due to deterioration to the bones of the building. The continued aging of outdated systems, increasing code requirements and subsequent dollar escalations from 2018 prices all contribute to much higher renovation costs in the future. Without significant renovations, there will be continued and potentially accelerated deterioration of the building, resulting in greater operations and maintenance costs. A five-year time horizon allows time for further community and professional input while securing financing. Beyond five years and without a long-term solution the City will need to look closely at the structure; a new facility, demolition of the HERC buildings, or taking advantage of new opportunities are all options.

A 5-Year Plan

This 5-year plan is based on a strategy of “sustainability without major capital improvements”. Under this strategy, only minimum upgrades will be made. As stated previously, it provides the City time to cement a way forward with continued use of the facility while developing strategies and funding that would enable a “final” decision. Thus, at the end of the 5-year period, the City will have two paths: (a) substantially rehabilitating/remodeling the building, or (b) demolishing the building and moving to an alternate solution addressing community needs and financial constraints.

The 5-year period enables HERC-1 to be serviced using current operations and, on an as-needed basis, maintenance costs. This plan is weighed against risk assessments: community needs/uses, funding and best practices.

More detailed renovations would include:

(a) HERC-1 lower level – Maintain minimum renovation improvements within International Building Code (IBC) Assembly Group A-3 Classification, (gym without spectators, community and lecture halls, etc.)

Currently, the HERC-1 gym is certified and the “Zumba Room” will also be certified when a few fire-related upgrades to the room are made. The remaining lower level rooms are not fire code certified and should continue to be used for storage. The restrooms require minor attention: showers are inoperable; the faucets, water closets and urinals need minor fixes; wood ramp in the women’s room entrance should be changed to concrete and painted; and a few other checks/fix-its.

(b) HERC-1 upper level – Continue to keep the upper level in a quasi-stasis state. Use is currently restricted to storage of Public Works’ materials (two rooms currently).

Additional Notes Regarding the 5-year Plan

Note 1: The upper level has been recertified as an IBC Business Group B Classification, which could include uses such as professional services or service-type transactions, civic administration, educational occupancy for students above 12th grade, and training and skill development not within a school or academic program, etc. If the City intends to use the upstairs, it should be reused on a minimal basis to keep the upper level Operation and Maintenance costs down.

Note 2: Some repairs are necessary before the classrooms can be used: ensuring life safety equipment is up to date and fixing the ADA entrance on the north side of the building. Also, other improvements should include fixes to restrooms, an HVAC inspection, bringing on line room ventilators, adding flooring and ceiling tile patches, lighting changes to E-florescent tubes, and other minor actions.

Additional Notes: There are more fixes needed than those associated with fire codes. Irrespective of Note 1 and 2 above, immediate fixes will be required to bring the building into near term usefulness: level roof and hot mop, address parking lot lights, and fencing repairs. These items would not require capital expenditures, apart from possibly the roofing items, since most can be accomplished incrementally by Public Works.



HERC-1 Lower Entrance Used to Access Gymnasium



HERC-1 Upper Level Entrance

Rationale for A 5-year vs. a 10-year Plan

It is important to understand that NOT completing significant upgrades to HERC-1 within a reasonable, near-term, timeframe would result in continued and potentially accelerated deterioration over a 10-year period. If a decision is delayed to renovate/remodel HERC-1 (to, say, 10 years as directed by City Council), the cost to do so would increase significantly due to deterioration to the basic structure of the building. This would result in escalated renovation costs.

The 10-year plan is primarily a “do-nothing strategy” and is NOT a recommendation of the HERC Task Force.

Estimated Upgrade Costs

The Task Force arrived at three estimates for building renovation, depending on how major a renovation is undertaken. The task force does not make a recommendation in the absence of funding and increased operation and maintenance costs for the full building. This information is provided as a guide for what incremental improvements could be built and an order of magnitude cost estimate.

1. \$900,000-\$1,300,000, bare bones remodel. A scaled down version of the \$2.5M effort (see #2 below), to address an E Classification for a 10-year period would be on the order of \$900K to \$1.3M. This version would include: hot mop roofing; upsized water service & sprinkler system; upgrades to ventilators, kitchen, bathrooms, lighting and ADA items. Code/compliance procedures and a risk assessment would be appropriate prior to this effort.
2. \$2,500,000- \$3,000,000 basic remodel. The effort would focus on primary systems for Health and Safety and American Disabilities Act (ADA) upgrades, seismic upgrade, complete re-roofing, installing a sprinkler system, replacing other items as required by fire code, replacing galvanized pipes, and making interior upgrades to all rooms, etc. This would extend the life of the building by approximately 20-years and be sufficiently robust to achieve an Educational Group E Classification, (potentially including day care use), per 2017/2018 International Building Code (IBC) and 13AAC50 designations/requirements.
3. \$4,500,000 - \$5,000,000 (16,000 sq.ft. at \$275/sf) full renovation. This effort would extend the life of the building to 30+ years. This total upgrade/remodel would include roof and wall insulation to improve heat efficiencies, structural modifications, new flooring and ceiling tiles, new windows, the addition of alternative energy systems, and exterior upgrades. The upgrade would create a structure with a life expectancy of 30+ years, while meeting modern “green building,” sustainability, and energy efficient building standards.

Implications of Building a New Facility (“New HERC”)

A “New HERC” building could be constructed on the present HERC site if the current HERC-1/HERC-2 buildings were demolished or could be constructed on another suitable property. Costs associated with site acquisition have not been included in these cost estimates. If a “New HERC” building is constructed on the current HERC-1/HERC-2 site, both HERC-1 and HERC-2 would be demolished. This adds to the total costs associated with a “New HERC” (see cost estimates page 17).

The current HERC-1 building is approximately 16,000 square feet. This represents a potential community/recreation building that would more than meet the needs of the Homer population. A smaller building with an area as small as 8,500 square feet, up to about 12,000 square feet would probably suit the needs for the foreseeable future.

Estimated Demolition Costs

The demolition costs for the HERC-1 building are estimated to be on the order of \$750,000 to \$1,000,000. The demolition costs for the HERC-2 building are estimated to be on the order of \$250,000. If HERC-2 were to be demolished first, it would help inform the costs of demolition of HERC-1 at the prevailing costs.



The above estimates are subject to changes due to the continuing increase in costs associated with demolition trucking expenses, the demolition and disposal of the HERC-1 boiler, additional hazmat items such as unforeseen expenses due to fuel spill, etc.

Off-setting these costs, both buildings could potentially contain items that would be salvageable and recyclable, such as the fuel tanks, temporary generator and interior wood doors. The value (undefined at this time) of these and other salvageable items could decrease the above demolition costs.

Estimated New Construction Costs

Construction costs are estimated to be \$400 per square feet for a public facility. This represents a total estimated cost for a direct replacement of the 16,000 per sq.ft. HERC-1 building at \$6.4 Million. A smaller community/recreation center sized more appropriately for Homer's needs of 12,000 sq.ft. has an estimated cost of approximately \$4.8 Million. The above estimates are for the construction of the facility only. It does NOT include design architectural & engineering (A&E) fees. A third option for a smaller building would be approximately 8,500 square feet, to encompass a gymnasium (7,000 sq ft), restrooms, an exercise room, minimal office space, and mechanical space.

The Sterling, Alaska Community Center (a 12,000 sq. ft. structure) represents an example of escalating construction costs over recent years. In 2014, the construction year for the Center, construction costs approximated \$200 per sq.ft. Construction costs in the Kenai Peninsula are expected to continue upward trends in the near future. [Note: The \$200 per sq. ft. was actual costs of the labor and materials purchased, even though completion of the facility relied heavily on volunteer/donated labor and materials from local residents and businesses.]

Total Costs (including demolition, design, construction and contingency)

For a 16,000 sq. ft. HERC-1 replacement:

Demolition costs incl. hazmat:	\$0.75 Million (M)
Construction costs incl. A&E cost:	\$6.4 M
Contingency (15%):	\$1.07 M
Total cost:	\$8.22 Million

For a 12,000 sq. ft. building:

Demolition costs incl. hazmat:	\$0.75 M
Construction costs incl A&E cost:	\$4.8 M
Contingency (15%):	\$0.83 M
Total costs:	\$6.28 Million

Building a New Facility vs Remodeling the Existing HERC-1

Currently, the preferred action is for the City to implement a 5-year plan that would extend the use of the existing lower level for recreational purposes with minimal use of the upper level. This option will provide sufficient time for further input and analyses.

The City's cost of a complete renovation/remodel of HERC-1 to full potential which would include an Educational (E) Classification, is \$5M x 25% ~ \$6.25M for a 16,000sf facility versus \$9.5M or \$7.25M for a 12,000sf building. Potential cost savings could be incurred on either, especially given, for example private-public partnership arrangements. Since constraints exist that would affect a decision at this time, no recommendation is tendered by the Task Force on whether to remodel the existing HERC, or demolish and build a new facility.



CHAPTER 4: Operation & Maintenance Cost Analyses

This analysis section addresses HERC-1 only. The industry standard for comparison, on the Kenai Peninsula, is dollars per square foot per month (\$/sf/month), which is used in the following analysis. Operating expenses are analyzed in a three-step process:

1. Using the historical expense data provided,
2. Comparing the step 1 expense to prevailing, typical expenses for commercial and public buildings in Homer, and
3. With expenses forecast based on the use scenarios or alternative uses.

Historical Expenses

The following table reports the historical data provided to the Task Force, then calculated based on the proportion of the building in use/occupied during that time frame. Understand that exact details and timing of occupancy are not available, and accordingly the expense data is recognized as approximations.

The table encompasses 2009 thru 2017, with the use (“Occupancy”) and proportion of building in use listed on the first line. The expense per square foot per month reported is based on the size of that portion predominately in use during the respective year. Since the actual months in use or transitioned from uses are unknown, the costs are based on a twelve month period (year). “GBA” is the gross building area, with 2009 thru 2013 using the total GBA (16,800 sf) and 2014 thru 2017 using the Gym only (5,700 sf).

Property Name:	HERC 1									
Date:	10/4/2018									
Building GBA:	16,800 sq. ft.			Breakdown:	Gym: 5,700		Lower: 2,800		Upper: 8,300	
	2009	\$/sf/mo.	\$/mo.	2010	\$/sf/mo.	\$/mo.	2011	\$/sf/mo.	\$/mo.	
Occupancy:	full; Upper-UAA, Gym-B&GC			full; Upper-UAA, Gym-B&GC			prt.;Up-UAA out, City in, Gym-B&GC			
Electricity	\$ 20,600.75	\$ 0.102	\$ 1,716.73	\$ 18,110.14	\$ 0.090	\$ 1,509.18	\$ 18,139.42	\$ 0.090	\$ 1,511.62	
Water/Sewer	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Fuel Oil/gas	\$ 37,266.42	\$ 0.185	\$ 3,105.54	\$ 35,824.29	\$ 0.178	\$ 2,985.36	\$ 38,177.32	\$ 0.189	\$ 3,181.44	
total		\$ 0.287	GBA		\$ 0.268	GBA		\$ 0.279	GBA	
	2012	\$/sf/mo.	\$/mo.	2013	\$/sf/mo.	\$/mo.	2014	\$/sf/mo.	\$/mo.	
Occupancy:	prt.;Up-City out 3/12, Gym-B&GC			prt.;Up-Enstar in, Gym-B&GC out			lmtd.; Up-vacant, Gym-CPRP			
Electricity	\$ 14,688.71	\$ 0.073	\$ 1,224.06	\$ 11,617.38	\$ 0.058	\$ 968.12	\$ 9,867.49	\$ 0.144	\$ 822.29	
Water/Sewer	\$ -		\$ -	\$ -		\$ -	\$ -		\$ -	
Fuel Oil/gas	\$ 32,413.97	\$ 0.161	\$ 2,701.16	\$ 24,673.44	\$ 0.122	\$ 2,056.12	\$ 16,416.78	\$ 0.240	\$ 1,368.07	
total		\$ 0.234	GBA		\$ 0.180	GBA		\$ 0.384	GYM only	
	2015	\$/sf/mo.	\$/mo.	2016	\$/sf/mo.	\$/mo.	2017	\$/sf/mo.	\$/mo.	
Occupancy:	lmtd.; Up-vacant, Gym-CPRP			lmtd.; Up-vacant, Gym-CPRP			lmtd.; Up-vacant, Gym-CPRP			
Electricity	\$ 11,248.28	\$ 0.164	\$ 937.36	\$ 10,915.40	\$ 0.160	\$ 909.62	\$ 10,948.32	\$ 0.160	\$ 912.36	
Water/Sewer	\$ 1,119.00	\$ 0.016	\$ 93.25	\$ 1,246.00	\$ 0.018	\$ 103.83	\$ 2,000.00	\$ 0.029	\$ 166.67	
Fuel Oil/gas	\$ 11,533.91	\$ 0.169	\$ 961.16	\$ 8,660.38	\$ 0.127	\$ 721.70	\$ 10,217.78	\$ 0.149	\$ 851.48	
total		\$ 0.349	GYM only		\$ 0.304	GYM only		\$ 0.339	GYM only	

Comparison to Prevailing Homer Building Expenses

To provide a perspective of the historical operating expenses of HERC-1, to typical expenses for commercial and public buildings in Homer, two separate analyses were made:

- a. The expenses reported for City of Homer buildings in 2017 was segregated and allocated into the \$/sf/month unit of comparison.
- b. Expenses for a variety of Homer commercial buildings was reviewed, from the database of one of the HERC task force members.

(a) The City of Homer building expense data used is from a table prepared by Public Works, provided to the Council as part of forecasting maintenance expenses for a new police station. Some of the categories in that table are excluded in this analysis, since they are not considered typical operating expenses, comparable to the HERC building.

In the following table each category of expense lists the cost per square foot per month for that category (i.e. heating, electrical, etc.), then those expenses out of the typical range for private commercial building are shown in red. Some of the out of range variation is due to the nature of the building or operating hours. For example the electrical expense for the Airport Terminal is well above typical ranges, but would reflect lighting for the parking lot, aircraft apron, tarmac, etc. Also the longer hours/lighting and equipment used likely accounts for the higher Police station electrical expense.

City of Homer Buildings									
2017 FACILITY EXPENSES	Square Footage	FUEL/LUBE(*1)		ELECTRICITY		WATER	SEWER	W&S \$/sf combined	TOTAL**
		FUEL/LUBE	Cost per sq.ft. per month	ELECTRICITY	Cost per sq.ft. per month	WATER	SEWER		Cost per sq.ft. per month
Airport Terminal	8,588	\$8,808	\$0.0855	\$36,744	\$0.3565	\$2,143	\$3,966	\$0.0593	\$0.74
Animal Shelter	3,994	\$9,265	\$0.1933	\$8,501	\$0.1774	\$650	\$608	\$0.0262	\$0.67
City Hall	13,321	\$6,843	\$0.0428	\$20,389	\$0.1275	\$808	\$835	\$0.0103	\$0.32
Fire Station	9,000	\$8,229	\$0.0762	\$27,181	\$0.2517	\$1,519	\$1,531	\$0.0985	\$0.55
Library	17,200	\$15,441	\$0.0748	\$35,718	\$0.1731	\$1,294	\$1,535	\$0.0137	\$0.39
PH Harbormaster Office	4,784	\$8,822	\$0.1537	\$10,249	\$0.1785	\$517	\$414	\$0.0162	\$0.61
Police Station	5,500	\$1,270	\$0.0192	\$24,416	\$0.3699	\$930	\$1,076	\$0.0304	\$0.65
Mean-all facilities:			\$0.0922		\$0.2335	ll facilities:		0.0364	\$0.56
(*1)all buildings natl. gas except Police Station									
Costs in red are out of the typical ranges for the expense item.									**excludes Janitorial

(b) To summarize the results of the HERC-1 and City building expense analysis and compare to prevailing private commercial building operating expenses, the following table is provided. Here the expenses of HERC-1 for 2014 thru 2017 are listed, compared to the City Library and the ranges of costs typical for private commercial buildings.

For the HERC-1 building, expenses reported are the average of the last four years. The library building is used, since the expenses calculated per unit of comparison fall more within the typical ranges expected in Homer. The “typical range” column summarizes the costs calculated from actual operating data of a variety of Homer buildings, maintained over the years in a proprietary data base.

The HERC electrical expense is at the high “typical” range, but within that range. The heating expense reflects the biggest variation from typical expenses, attributed to the HERC’s fuel oil heat and insulation deficiency. With the availability and conversion to natural gas, commercial property owners report a

reduction in their heating expense to about 1/3 of their prior fuel oil cost. A comparison of City buildings before and after conversion to natural gas shows a reduction of:

- Airport terminal: -64%
- City Hall: -58%
- Library: -51%
- Average of these three: -58%

A simple cost/benefit calculation, based on the average heating cost with a 50% savings and a conversion cost at \$18,000 - \$19,000 (from Memo 13-077, 5/2/13) shows a cost recapture in 3.25 years. [$\$11,707 \times 50\% = \$5,854/\text{yr.} \div \$19,000 = 3.25 \text{ yrs.}$].

Homer commercial buildings ~ operating expense comparasion						
Property Name:	HERC 1		Homer Library		Private Commercial	
Building GBA:	5,700 (Gym only)		17,200		Buildings in Homer	
Occupancy type:	Recreation		Municipal		Office & Retail	
year	2014 - 2017	\$/sf/mo.	2017	\$/sf/mo.	2017/18	\$/sf/mo.
	(average)					
Electricity	\$ 10,744.87	\$ 0.157	\$ 35,718.00	\$ 0.173	\$ -	\$0.12 - 0.16
Water/Sewer	\$ 1,455.00	\$ 0.021	\$ 2,829.00	\$ 0.014	\$ -	\$ 0.025
Fuel Oil/gas**	\$ 11,707.21	\$ 0.171	\$ 15,441.00	\$ 0.075	\$ -	\$.04 - .07
Refuse		\$ -	\$ 1,000.00	\$ 0.005	\$ -	\$ 0.015
Lawn/yard Care		\$ -	\$ 13,187.00	\$ 0.064	\$ -	\$.015 - .025
Snow/sanding		\$ -	\$ 11,885.00	\$ 0.058	\$ -	\$.020 - .030
Repairs		\$ -	\$ -	\$ -	\$ -	
Janitorial		\$ -	\$ 45,848.00	\$ 0.222	\$ -	\$ 0.200
**Heat type	fuel oil		natl. gas		natl. gas	
Total w/Janitorial				\$ 0.610		\$.445 - .525
Total w/o Janitorial		\$ 0.350		\$ 0.388		\$.245 - .325

Expense Forecasts and Use Scenarios

Using the expense data developed in the preceding tables, and considering the alternate potential uses of the HERC building, the following scenarios are presented. These scenarios consider the proportion of the building used for each alternate, an approximate cost to accommodate that use, and the operating expense to the city. Note that the repair/renovation costs are rough approximations only and forecast revenues are subject to adjustment based on the specific use and user. These potential uses are not intended to exclude any additional user groups. We recommend the next task force or committee explore a full request for proposals.

HERC 1 building ~ Use scenarios

Scenario 1- Near Term - 5 year holding					Bldg area (sq.ft.)	<u>Income</u>	<u>Expense</u>	<u>Difference</u>
Use:	Gym & Zumba room only			6,300				
User:	Homer Community Rec (reported fee revenue 2017, Gym only)				\$14,700	\$22,529	\$	(7,829)
Potential:	Community organization rental/day use (if authorized by Council)				??			
Required repair/renovation cost estimate								
Utility/building mechanical repairs as needed:								
	water/sewer					individual costs not itemized		
	heating/ventilation system							
	Convert building to natural gas heat							
	Repair/hot mop roof							
	Convert fluorescent fixtures to LED (NIC in cost estimate)							
	Any ADA modifications for restroom use							
				Total estimated		\$60,000 - \$100,000		
Operating expense estimate (annual)								
	Heat			(based on natural gas conversion)		\$6,502		
	Electric			(as-is; potential savings by LED lighting conversion)		\$11,869		
	Water/sewer			actual expense		\$1,512		
	Custodial /refuse			As-is, by Homer Community Rec		\$0		
	Snow/sanding			private contract, at typical rate		\$1,512		
	Lawn/yard			private contract, at typical rate		\$1,134		
				Total		\$22,529		
Scenario 2- Fireweed School occupancy								
				Bldg area (sq.ft.)		<u>Income</u>	<u>Expense</u>	<u>Difference</u>
Use:	Total building			16,800				
User:	Fireweed Charter School lease (@ \$.68/sqft/month)				\$137,000			
	Homer Community Rec (reported fee revenue 2017, Gym only)				\$14,700			
				Total	\$151,700	\$150,671		(\$13,671)
Required repair/renovation cost estimate								
	Fire Sprinkler system, entire building					individual costs not itemized		
	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							
				Total estimated		\$900,000 - \$1,300,000		
Operating expense estimate (annual)								
	Heat				Fireweed	\$0		
	Electric				Fireweed	\$0		
	Water/sewer				Fireweed	\$0		
	Refuse				Fireweed	\$0		
	Custodial				City-private contract	\$24,192		
	Snow/sanding				City-private contract	\$8,064		
	Lawn/yard				City-private contract	\$3,024		
				Total		\$35,280		
	Loan payment, based on private bank loan to City:							
				Terms: loan- \$1,300,000; 4% interest; 15 yr amortization:	\$9,616 /per month	\$115,391		

Scenario 3- Renovate for entire building use		Bldg area (sq.ft.)	Income	Expense	Difference
[Maintain for entire building use, as-is: IBC A-3 (lower) & B (upper)]					
Use:	Total building	16,800			
User:	Homer Community Rec & other user groups		\$14,700	\$60,077	\$ (45,377)
Potential:	Community organization rental/day use (if authorized by Council)		??		
Required repair/renovation cost estimate					
	Fire sprinkler system, entire building			individual costs not itemized	
	Fire wall separation				
	Convert building to natural gas heat				
	Rebuild roof, additional insulation & EPDM cover				
	Convert all light fixtures to LED		NIC		
	ADA modifications for restroom use				
	New windows throughout				
	Total estimated:		\$500,000		
Operating expense estimate (annual)					
	Heat	(based on natural gas conversion)		\$17,338	
	Electric	(as-is; potential savings by LED lighting conversion)		\$31,651	
	Water/sewer	actual expense		\$4,032	
	Custodial	As-is, by Homer Community Rec			
	Snow/sanding	private contract, at typical rate		\$4,032	
	Lawn/yard	private contract, at typical rate		\$3,024	
	Total			\$60,077	
Scenario 4-Demo HERC 2 & sell part of site					
		Site area/sale price	Income	Expense	Difference
Use:	Any legal use, per zoning	approx. 55,400 sq.ft.			
User:	Sale to private entity	estimated \$15.00 per sq.ft.			
	Gross sale proceeds-land, post demo		\$831,000	\$306,860	\$ 524,140
Required repair/renovation cost estimate					
	Demo & clean up cost			\$250,000	
	Survey/subdivision of site			\$7,000	
	Relocation of utilities as required; water/sewer service to HERC 1			?	
	Sale commission (RE agent/broker) @ 6%			\$49,860	
				\$0	
				\$0	
	Total			\$306,860	



CHAPTER 5: Funding

How Do We Pay For It?

The Task Force reviewed the municipal funding mechanisms presented during the new police station discussions. Fairly quickly, the Task Force determined there is probably low public support for more taxes to pay for any increase in City services or facilities. This sentiment was echoed in our conversations with non-profits and businesses. However, the concept of public-private partnerships did garner some support. Homer has at least two great examples of public private partnerships: the hockey rink and the courthouse. Private entities built those facilities, which are leased long-term or mortgaged by the state or non-profit.

Near Term Funding Options: Increase Revenue and Decrease Costs

Utility costs were an estimated \$23,000 in 2017. Revenues are roughly \$14,000. Can the City increase facility revenues to pay the full utility costs? Some ideas that should be explored further include:

- Increase user fees at the HERC
- Investigate whether increased gym rentals would raise enough revenue to not only cover the cost of staff time and utilities for the event, but also contribute to overall utility costs.
- Investigate allowing community organizations/user group rentals to offset increased utility and personnel costs
- A key component for successful short-term revenue and more intensive use is active building management by a designated building manager
- Investigate the payback time for converting to natural gas. (See page 21)
- Capital expenditures could be funded from the existing HERC building depreciation reserve fund, or potential operating surplus, or any other funding mechanism available to the City Council.

Long Term Funding

Other potential funding opportunities include state and federal grant funds, partnerships with organizations that can leverage private foundation funding, taxes, bonds and a service area. Commercial loans were an option presented to the Task Force, which could be repaid through a long-term lease.

It is possible to subdivide a portion of land where HERC-2 currently sits, and sell the property to generate some revenue. There would be some expenses in moving utilities and subdivision costs, but it's possible as much as \$500,000 could be generated by selling a portion of the land. (See Chapter 4, Scenario 4). However the Task Force, at this time, does not recommend subdivision or selling of the property.

Legal Entities and Investment

The Task Force considered three different models of building ownership and operations.

- 1) Government-owned and managed, paid for by new taxes and increased fees (Government model)
- 2) Government-owned facility, with a private or nonprofit partnership for management
- 3) Private or non-profit ownership and management, with a partnership for building use. (3 P, or Public Private Partnership; City retains land ownership, with 3P new build)

Funding: Government Model

If the City decides to renovate the HERC building, or build a new facility, new revenue will be required to pay for it. Financial projections over the coming years do not show enough increase in tax revenue to pay the anticipated expenses. The City is able to raise revenue through sales tax, property tax, and user fees. Through focus groups and Task Force discussions, there seems to be little support for an additional tax increase at this time.

The police station bond and corresponding sales tax increase was just approved by voters. A bond with increased taxes to make the payments may be an option the community wishes to pursue in the future. But as of 2018, the Task Force has determined this is not supported by the public.

3P: Public-Private, or Public-Public Partnerships

There are many ways a 3P partnership could work: the City could own the building, or it could be privately owned. The City could manage and maintain it, or a private party could provide those functions.

In the case of the Homer Court House, the state provided funds to expand the privately owned building. The building owner provides all maintenance and janitorial services, and the state is a long-term tenant. As long as the building owner can profit from the lease, it's a great opportunity for the private sector, and significant cost savings to the state; they didn't have to manage a renovation, nor are they responsible for long term maintenance. To apply this example to the city, perhaps the City would provide some funds for a private entity to build a building that includes a gymnasium. The City would contract to use the gym during certain hours (say after school and evenings) and the building owner could use or rent the space all other times. Perhaps they provide scheduling services to the City, or maybe the city provides that in exchange for reduced space rental. Another option could be a commercial loan or revenue bond to pay for renovations, with a long-term lease agreement to repay the loan.

There are many options; it's a matter of seeing if there is an entity in the City that would be interested and has the resources to enter in to such a partnership, and if the public supports the city entering in to such an agreement. During the Task Force process, significant interest was received from Fireweed Academy and Bunnell Street Arts. A next step for the City might include a formal Request for Proposal (RFP) process to gather proposals and explore sustainable partnership options.





CHAPTER 6: Economic Assessment

With the design of any new facility (including a renovated or new HERC building), it is important to insure the final product meets the needs of the market it is planned to serve. For example, with the current floor space of the HERC-1 building at 16,000 sq.ft., would a renovated HERC-1 (on the same foundation) provide sufficient space for Homer? Is this space too small or larger than actually needed? And, what would the building layout need to be to accommodate the activities planned for the facility?



Pickleball Players in the HERC-1 Gym

To address these concerns, the HERC Task Force used a multi-pronged approach to determine the market needs (present and future) of the Homer community and, importantly, to obtain a better understanding of how these needs would fit into a renovated or new HERC.

A “marketing work group” was established to obtain market data by:

- Conducting individual meetings/discussions with organizations and individuals currently offering community and recreation services.
- Creating a focus group to obtain a better understanding of the needs of certain business organizations.
- Hosting brown bag lunches, with invitations extended to community residents.
- Reviewing current community and recreational studies (for example, the “Parks, Arts, Recreation, and Culture Needs Assessment” dated 2015).

The results of this effort allowed the Task Force to forge a reasonably good assessment of the size, space needs, and growth demands on a HERC facility.

A second working group was established to evaluate the success factors of community and recreation facilities in other Alaska communities. This activity included site visits, surveys, and discussions with senior management at these locations.

In general terms, the working groups determined:

- a) Many community and recreational products and services are currently available in Homer. They vary not only in the types offered but in the locations offered. Some are provided by private, for-profit organizations, others by non-profit corporations and others by the City of Homer “Community and Recreation Program” (CRP). Some compete and some are complementary, while some have found a niche not addressed by another organization.

- b) With few exceptions, most community and recreational programs are growing, some faster than others. For example, Pickleball (a recreational activity favored by the relatively older population) grew 365% over the past three years (according to City of Homer’s Community Recreational Program statistics). But, growth in wrestling and volleyball (which represents a pastime of the younger generation) has slowed or stagnated.
- c) Changes in demand reflects a change in the Homer population demographics and the demand for products and services offered. For example, the growth of senior citizens settling in the area far outstrips the number of births and non-seniors settling. While nationwide the overall population is aging, the aging of the Homer population far exceeds the nation average.
- d) Population changes aside, Homer has a dire need for childcare, which could provide a market opportunity for a HERC facility (see further discussion below).
- e) Any HERC facility will complement current community and recreation services offered.
- f) In general, market demands for HERC products and services are expected to grow steadily over the near future.
- g) Statewide, there are both successes and less-than-successful community and recreation centers. Not all centers have met their initial goals.

The changes described above will impact the future size, the types of products/services offered, and the growth of a HERC building.

The principal user of a renovated/new HERC building will be the Homer Community Recreation Program (CRP). Currently, CR programs are spread through a number of different physical locations with the associated management opportunities. Regardless of the size of a renovated/new HERC building however, some CR activities will remain at non-HERC locations but the majority will migrate to the HERC.

As the marketing work group examined current activities of the Homer CR and other Alaska com/rec centers, a usage pattern materialized. Demand management is an issue: early morning hours and late afternoon/evening hours dominated the demand in both community and recreational activities. Senior groups and childcare needs, however, tend to gravitate towards morning and afternoon use. From the market research of (c) and (d) above, a HERC facility that accommodates senior citizens and childcare will provide significant value to the Homer community, resulting in more efficient use and management of the facility. This determines a market niche that is currently under-served, and could provide income to address increased operations and maintenance expenses.

Chapter 3 in this final HERC report describes the building size that best fits the needs of Homer. Marketing data from this marketing assessment was used to aid in this size determination.

Examples of Major Alternative Sources of Community and Recreation in Homer

While the providers of community and recreation services in Homer are quite varied, a few stand out as major contributors. They are: Bay Club, SPARC, Homer Public Library, Community Recreation and Public Schools, Island and Oceans Center, Kachemak Community Center, Lands’ End Resort, and the Homer Senior Center. This list of providers is not all-inclusive, but these and others were used in the evaluation process. Each provides a unique contribution to the Homer community, but a HERC community recreation center would not be a major competitor.

Examples of Regional Community and Recreational Centers

As explained previously, part of the market research effort included a review/survey of the history and current operation of other select, Alaska community and recreation centers. Of the twelve plus communities researched with a population the size of Homer, only two (Homer and Dillingham) did NOT possess a physical, self-contained community/recreation center. As noted in (g) above, some statewide community/recreation centers are successful, while some are less than successful. Of the twelve, three centers were evaluated in some detail: Sterling Community Center, Kenai Boys and Girls Club (formally Kenai Recreation Center), and Seward Recreation Center.

A copy of the survey completed by Sterling, AK is attached to this final report as an appendix.

Economic Impacts

Thriving small communities are economically successful communities for four primary reasons:

- a) Community and environment that encourages entrepreneurship in business and the arts;
- b) Public sector friendly to the private sector;
- c) Processes that facilitates a highly educated workforce; and,
- d) Community that excels in providing a positive quality of life.

Community and recreation are integral parts of (a) and (d) above. Nationwide, community and recreation (com/rec) activities are shown to have positive impacts on communities that embrace it. These opportunities relate to either a renovated 'HERC-1' or 'New-HERC' facility. It should be noted that not all impacts are economic. On a broad scale, community health and wellness are important factors for quality of life in a way that is not fully quantified in dollars.

Community/Recreation Is an Integral Part of a Thriving Community

Members from MAPP presented to the Task Force and reinforced two key principles.

- 1) Community Recreation opportunities and facilities have a direct impact on emotional and physical health, and increase overall resilience for children at risk. Reinforcing resiliency therefore improves the viability of a community as youth age into adulthood.
- 2) Community Services that include childcare helps retain workers, strengthen our workforce and support overall community health.

The Task Force felt the HERC facility currently contributes to a Thriving Community, and can continue to do so.

Three primary HERC-related activities have the potential to positively impact Homer's economy:

- 1) Renovation of the existing HERC-1 or construction of a new HERC building;
- 2) Visitors participating in events offered within and through a HERC building; and,
- 3) Local entrepreneurial endeavors created within or through a HERC building.

This economic assessment is based on the amount of money injected into the economy from sources outside the Homer area. Public/community money recycled within the Homer are not considered in this economic analysis.

Economic Impacts Directly Related to the Actual Construction/Renovation

Use of taxpayers' money to underwrite the construction cost of a renovated or new HERC is not considered as having an immediate positive economic impact. However, obtaining construction funds from sources from entities outside the service area has a positive economic impact. Correspondingly, positive economic benefits are achieved when construction costs are underwritten directly through private sources, or through a public private partnership (PPP).

[Note: Not all construction costs can be directly attributed to economic value. For example, when construction materials are purchased from outside Homer those costs, while part of the original construction cost estimate, are not captured by Homer.]

The economic value for either a renovated HERC-1 or new HERC are:

(a) Renovated HERC-1, assuming construction costs of \$5 Million, the labor to materials ratio is approximately 70%/30%. The economic impact to the community would be positive. This assumes 30% of materials are purchased from outside the community.

(b) \$7.7 Million (using New HERC, assuming construction costs of \$5 Million, and a labor to materials ratio of approximately 50%/50%, the economic impact to the community would be approximately the same as a renovated HERC-1.

From a building construction economic impact basis, there is little difference between renovating the HERC-1 or constructing a new HERC.

Economic Impacts Created By Visitors for Recreational Events

In any economic impact assessment, determining the type and number of "visitors" to a community for an event is prime. A visitor is considered a person from outside the service area who would not normally travel to Homer except to participate in or support an event. The key is to capture visitor data. Unfortunately, very little data has been captured in the past, so comparing the economic impacts of a new or refurbished HERC building can be difficult.

Estimating the economic impact of a renovated or new HERC creates challenges. There are a variety of facilities (Homer High School, existing HERC gym, Homer Middle School, West Homer Elementary School, etc.) where recreational activities currently take place. But there is circumstantial evidence through various nationwide studies to suggest that a renovated or new facility will increase the demand for services offered, increase the number of events provided, or increase the number of visitors from outside the service area. In the case of HERC, it will be a focus for recreation and an identity for the community. Participant visitors will visit because there's a nice place to go and play.

Although not part of this HERC Task Force directive, it is highly recommended that Homer organizations involved in community recreation and arts make a concerted effort to track visitor-related activities which directly impact their contribution to the community's economy. Standardized procedures for collecting data, including a check-list, goes a long way to adding value to grant funding requests.

Economic Impact Example 1: The Kevin Bell Arena (Homer Hockey Association, Inc.)

Construction of the Kevin Bell Arena was completed approximately twelve years ago and is managed/owned by the Homer Hockey Association (HHA). Prior to its construction, hockey enthusiasts played in an open-air hockey rink exposed to the weather or traveled to Kenai. In economic terms, that resulted in a net negative outflow of money wherein Kenai benefited at the expense of Homer.



With the new arena and active marketing, visitors come to Homer. In a recent request for grant funding, the HHA claimed approximately \$600,000 in positive economic value in the year 2016, and approximately \$700,000 in the year 2017. HHA calculated these dollar values by multiplying the total recorded number of visitors by a standard per-diem dollar amount provided by the Homer Chamber of Commerce.

Economic Impact Example 2: Homer Community Recreation Program – “Pickleball”

Little historical visitor data has been captured for recreation and community events in Homer. But, there is one event where some data has been captured: the “End of the Road Pickleball Tournament” last held June 25 through June 29, 2018. The event hosted 62 guests, of which approximately 50 players not from Homer. Early interest in next year’s event, (it’s planned to be an annual event), indicates a 50% increase in participants. Visitor interest indicates Homer could become a major stop on the “pickleball circuit”.

For the 2018 event, it was estimated the average stay in Homer was 2 ½ nights, with an average expenditure per person of \$500, a positive economic impact of approximately \$45,000. Data used was captured from a combination of surveys and estimated expenditures from the pickleball organizing committee. A viable HERC com/rec facility is fundamental to the growth needs of pickleball, the annual pickleball tournament, and an aid to the increased economic well-being of Homer.

Economic Impact Example 3: Homer Community Recreation Program- “Popeye Wrestling”

The Popeye wrestling club is part of the Homer CRP program. It hosts a 2-day tournament annually at the Homer High School. It attracts more than 400 wrestlers from throughout the State, and an estimated 250 adult supporters (parents, grandparents as spectators). Using similar expenditure estimates from the pickleball tournament above (no actual economic/expenditure data was captured by the organizers during the wrestling event), the estimated positive economic impact to Homer is approximately \$125,500.

Economic Impacts Associated With Entrepreneurial Endeavors

Overall, the growth in the national economy has shifted towards the increase in small, entrepreneurial endeavors. Homer is one of those entrepreneurial-driven economies supporting this trend. One of the most positive impacts that entrepreneurs make on an economy is job creation and the reduction of unemployment levels.

Individuals often resort to entrepreneurship for a number of reasons: profiting from a specific market niche, unable to find suitable employment or a means to sustainable income, or having the industry know-how (with the financial resources) to generate income. Assuming two entrepreneurial endeavors per year potentially results in viable businesses employing two people, grossing \$75,000 per year in sales. Five years of activity could yield ten new businesses, employing a total of twenty people, grossing \$750,000 per year in sales, and contributing to the Homer economy.

Michael Illg, Recreation Manager for Homer’s Community Recreation Program (CRP) has instituted an ad-hoc program within the CRP to encourage entrepreneurship in a “maker-space” or “incubator” environment. With a HERC building, budding entrepreneurs may be able to use the CRP facilities and services to test their enterprises in a real business environment. The major hurdle for expanding this program is both the cost of providing and the availability of permanent physical space that meets health and safety requirements for these endeavors and a coordinated commitment (including marketing) to promote/manage the program. A permanent home at HERC would go a long way to help growing this program.

In conclusion, Homer largely has the four items that contribute to economically successful communities. (See economic impacts on page 29.) Integral to a successful community, are quality-of-life issues. This attracts entrepreneurial-minded people and keeps others here. This junction of recreation, arts entrepreneurship and quality of life adds jobs to the community.



APPENDIX

The Task Force requested information from six, similar size Alaskan communities. Valdez, Cordova, and Soldotna did not provide information. Kenai, Seward, and Sterling did. Below is the information from the Sterling Community Center to give an idea of the types of information the Task Force considered.



HERC PROJECT
Sample Community and Recreational Facilities
Sterling (Alaska) Community Center

Contacts: Kelly Reilly (Facility Coordinator) 907-262-7224
Deb Debnam, Board Member and Treasurer

Website: www.sterlingcommunityclub.com
<https://www.facebook.com/sterlingakcommunitycenter/>

Type: Recreation and Community Center

Facilities: Gymnasium, Multipurpose room, Weight Room, Commercial Kitchen, Library

Construction: 2013. Originally built to support the needs of children in the community (next door to local elementary school). But currently the major usage is by senior citizens.

Cost to build: \$1.3 million, with many in kind services donated by local businesses. Land was donated.

Activities: Pickle ball, weight room, soccer, basketball, open gym, roller derby, lending library, computer/internet access. Has offered an after school program K-6, \$80/month, but demand varies.

Hours of operation: 11 AM – 6 PM, varies

Population Catchment area: 6,000 people

Funding

Current operations funding sources: Private donations, sponsorships, memberships and in-kind services.

Number of Members: 50

Annual Dues: \$100

Annual Budget: \$80,000 (approximate). Includes the salary of 1 person, liability insurance, utilities.

Annual Revenues: \$60,000

Space available for Rent: Yes

Sponsors: Yes (\$400 to \$2500 per year)

Subsidy: The budget difference is made up from donations (mainly local businesses). But with the recent downturn in the local Sterling/Soldotna economy, donations are becoming harder to obtain.

Legal Organization: Not-for-Profit 501(c)3

Newsletter: Yes

Competition: None in Sterling. Most competition from Soldotna.

Other Notes: The commercial kitchen is a problem, with low usage, and high (relatively) rental fees. No tax base to support the facilities and programs. Board is currently working with senior center to attempt to push for a local service district tax.



PARKS, ARTS, RECREATION AND CULTURE (RECREATION AND CULTURE) NEEDS ASSESSMENT

Prepared for the City of Homer, Alaska
by Agnew::Beck Consulting
Spring 2015



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ACKNOWLEDGEMENTS

Thank you everyone for their hard work and dedication in helping to complete this needs assessment. Thanks to the City of Homer with staff support and project management provided by Walt Wrede and Julie Engebretsen, and guidance from the Parks, Art, Recreation and Culture (PARC) Advisory Committee, which included:

- Gail Edgerly, Homer Council on the Arts (HCOA)
- Matt Steffy, Parks and Recreation Commission
- Jan Rumble, Kevin Bell Arena/Homer Hockey
- Megan Murphy, MAPP of the Southern Kenai Peninsula
- Kate Crowley, ReCreate Rec
- Asia Freeman, Bunnell Arts Center
- Mike Illg, City of Homer Community Recreation Coordinator
- Corbin Arno, Homer Voice for Business, Motorized Sports
- Karin Marks, Art Shop Gallery, Homer Voice for Business, volunteer
- Kelly Cooper, Kenai Peninsula Borough Assembly, Homer Voice for Business, volunteer

Special thanks to advisory committee members for their efforts in initiating, guiding and engaging neighbors and colleagues in this planning process. Thank you also to all those community members who participated in surveys, interviews, focus groups, and the community workshop. Because of all these efforts, this document contains many ideas that synthesize the inspiration, realism and creativity of the greater community and exciting possibilities for the future.

EXECUTIVE SUMMARY

HOMER RECREATION AND CULTURE NEEDS ASSESSMENT

The Parks, Art, Recreation and Culture (PARC) Needs Assessment is intended to determine the resources and prioritize the needs for the area community (including the City of Homer and four neighboring census tracts: Anchor Point, Fritz Creek, Diamond Ridge and Kachemak City) concerning parks, arts, recreation and culture (PARC) facilities and programs. To accomplish this, the project involved:

1. Assessing community values, wants and needs related to PARC resources, based on feedback from a broad range of organizations, individuals, and businesses;
2. Identifying gaps between identified needs and existing facilities and programs; and
3. Investigating strategies for meeting priority needs, recognizing the realities of finite resources (e.g., funding, volunteers, profitable business opportunities) and Homer's relatively small population. Strategies include better use of existing facilities, while investigating options for new resources to support future recreation and culture improvements.

The results reflect the reality that many residents, businesses, organizations of and visitors to the greater Homer area deeply value PARC resources for their social, health and quality of life benefits, for the economic opportunities they provide, and because they make greater Homer the community and the place in which they choose to live. The greater Homer area has attracted a community of people with great vision and capacity to make things happen: community members dedicate a remarkable number of volunteer hours, have started and maintained numerous nonprofits, hosted community events, and donated materials and funding toward various community resources.

AMBITIOUS, REALISTIC AND STRATEGIC

With all this community effort, greater Homer already has a wealth of PARC resources. The needs assessment reveals a desire for even more: a broad and ambitious list of ways to further expand and fill PARC gaps. At the same time, it is clear that there are limits in the community's ability to meet all expressed wishes, and that there is a desire to be realistic about how much the community is able to take on and sustain over time. To satisfy these goals, this summary of identified needs is presented within the context of an overall set of strategies:

1. Maximize the use of existing public resources.
2. Look for and take advantage of opportunities for the private sector to fill gaps.
3. Explore new ways to improve the efficiency and coordination of providing PARC resources and related information sharing.

4. Maintain existing facilities while developing funding strategies for highest priority future expansion or renewal projects.

SUMMARY OF IDENTIFIED PRIORITY NEEDS

A full list of identified needs is included in the attached Identified Needs Inventory. This list was generated from a review of previous relevant plans and studies, an online community survey, an online provider questionnaire, community workshop and focus group discussions, and key informant interviews. From this inventory, a set of priorities was determined by filtering the identified needs based on whether they had:

1. Broad support from multiple user groups and the general public and therefore would directly serve the largest portion of the community, *or*
2. High level of support from one or more organized user group(s) and therefore already has a project champion, although it may directly serve a smaller subset of the community.

The identified needs were also filtered through a set of specific criteria developed by the community as the basis for prioritization; these criteria determined that priorities should:

1. Contribute to the economic vitality of the community.
2. Bring together multiple organizations and user groups (such as seniors and youth).
3. Support the capacity and mission of existing organizations.
4. Be affordable to users.
5. Be able to be staffed and maintained.
6. Have a user group.
7. Be physically accessible to community members, in a central location, and complement adjacent land uses (if applicable).
8. Include both passive and active recreation together.

The priorities that emerged through this filtering process focus on the need for indoor facilities/activities and improvements to PARC resource coordination, and also included a number of more modest of outdoor facilities and programming needs.

INDOOR FACILITIES

Of the priorities that filtered to the top, the most significant was space for indoor activities. The most pressing needs are for a general-purpose gymnasium and a multi-purpose space for dance, martial arts, performing arts (rehearsals, performances), and community events. It will be difficult for the community to meet these types of programming needs until adequate space is created. Specific identified needs include:

- Active recreation space: large multi-purpose gymnasium, indoor walking track, affordable weight room, martial arts gym, indoor (and outdoor) racket sports-
- Space for the arts: centralized location for music activities (including practice studio, recording studio and/or programming), more spaces for making art, 200-300 seat performance space, and
- Spaces for youth: toddler and family spaces,¹ teen space while school is not in session.
- Space that can support varied community events and gatherings.

Depending on specific designs, many or even all of these needs might be met in a single facility. A multi-purpose community center was the most frequently identified need across providers, user groups, existing plans and the general public. Although frequently mentioned, a new multipurpose facility would be costly. Considering the other identified needs, this project might best be deferred to a medium or long-term status, giving time to raise the necessary funding as well as time for the area's population, industry and tax base to grow. The next step for the community will be to determine how best to meet priority indoor space needs through existing facilities, new discrete facilities or grouped within a single multi-use project. Investigating options will include consideration of: the availability of existing spaces and their ability to adequately meet the identified needs; potential project providers (who will own and operate the space, who will run the activities), their responsibilities, level of commitment and ability to sustain use/participation; potential funding mechanisms and willingness to pay; and which uses will be compatible or incompatible in a multi-use facility. While these decisions are being made, the City should investigate ways to keep the HERC open (e.g., for another 10 years) to help meet indoor space needs.

Another priority that came up repeatedly during the needs assessment is the need to stabilize the financial future of the Kevin Bell Ice Arena. Though the City is not responsible for this facility, thousands of people use the facility (up to 800 in a week). The facility supports local users and also attracts teams from outside the community who spend time (and money) in Homer. Aside from the debt of the building and land, the rink's revenue has supported its yearly operations since it opened in 2005. Current debt totals \$2.74 million, and it will require \$60,000 per year to repay. The rink has become an institution in Homer, providing healthy lifestyle choices and also important winter revenue with the annual tournaments and games, bringing visitors from other cities. The Needs Assessment is not the forum in which to work out the specific near term strategies on this time-sensitive issue. The community can continue to seek opportunities to meet existing user needs at the hockey arena (e.g., indoor walking, climbing) as well as investigate longer term revenue sources that could help sustain the facility. The idea was raised to consider dedicating some amount of City funds to cover a portion of the \$60,000 annual debt payment.

¹ Some of these space needs may be fulfilled by better communication about existing toddler-friendly spaces and activities; many programs are already offered and new activities starting.

OUTDOOR FACILITIES

Priority outdoor facilities include: upgrading the softball fields, car-free ice skating at Beluga Lake, a warming hut on the spit, an outdoor amphitheater, and multi-use trail connections. These outdoor improvements, while important, present a much lower threshold of cost and complexity than the possible need for some form of new, multipurpose indoor facility(ies).

ACTIVITIES, EVENTS, PROGRAMING

A number of programming needs were identified, listed below. Exploring options to meet these identified needs is important, but must be considered in the context of the management and/or addition of indoor facilities, which is closely tied to many of these identified needs.

- Indoor, winter event space and programing, activities (e.g. laser tag, bumper cars, go cart track, child play area), and longer hours for programs or facilities (e.g. late night and/or early morning).
- Multi-generational activities, for parents and toddlers, for mentally and physical disabled older people, for seniors in general.
- Activities at McNeil Canyon School and in Anchor Point, specifically.
- Short courses/workshops (one day or less), with smaller time and financial commitment.
- Specific activities/classes: folk school, healthy cooking, lifelong learning programs, Zumba, wildfoods safety, marine safety, adult indoor soccer.

MANAGEMENT AND COMMUNICATION

Outreach results make clear that participants recognize the need for new strategies to meet these priorities and identified the following solutions:

- Make better use of what already is available:
 - Centralized community calendar and information sharing (e.g., via mobile phone app).
 - Transportation improvements to get people to activities/events (e.g., affordable cross-bay transportation, rides for youth and seniors who do not drive).
 - Continued coordination and access to school district resources, particularly the high school.
- Improve the delivery of PARC resources:
 - Centralized meeting room list/scheduler.

- Consolidated community PARC leadership to reduce the number of volunteer boards and enable better coordination among providers (e.g., calendaring, networking, partnerships on projects, joint fundraising or grant applications, reciprocal membership agreements).
 - Consider a centralized City Parks and Recreation Department with additional City of Homer recreation staff (existing staff are currently at capacity, and the City could potentially leverage increased community involvement toward providing services and completing park improvement projects with additional staff.).
 - Consider ways to maintain the PARC Committee and continued City involvement in PARC resource management.
- Investigate new funding options (e.g., service area); consistent capital funding is needed, whether for the HERC, ballfields, or park improvements.

OPPORTUNITIES TO USE EXISTING FACILITIES

The community felt strongly that Homer’s many existing resources should be used to meet existing needs before any new facilities were built or programs started. The Needs Assessment included an analysis of the extent to which priority needs could be met with existing resources, based on the needs and existing resources inventories generated through the needs assessment process. Many identified needs could potentially be met through existing or new resources, depending on the will of the community.

NEXT STEPS AND IMPLEMENTATION RESOURCES

Parks, art, recreation and culture are important enough to area residents that a majority support some degree of increased public funding for recreation and culture facilities and services through various means. In the near term, recreation and culture leaders could continue to focus on the operational and organizational priority needs to better coordinate and consolidate existing resources in terms of space, funding and fundraising efforts, information sharing, and planning for longer-term priorities, such as a new multi-purpose facility or addressing the future ownership of the Kevin Bell Ice Arena.

The statistically valid survey indicates a level of support and willingness to dedicate City funds toward these two large capital projects. Just over half of the statistically-valid telephone survey respondents (56.8 percent) said that a new multi-purpose community center should be a City priority within the next 10 years and indicated a willingness to contribute some amount of property taxes to its development. Similarly, just over half of the statistically-valid telephone survey respondents (53.6 percent) indicated that the City should provide approximately \$10,000-\$15,000 per year in new funding to help cover a portion of the loan payment on the hockey arena, and look to the Homer Hockey Association to find the remaining funding for the Kevin Bell Ice Arena. Another 20.1 percent of survey respondents indicated a willingness to dedicate city funding to pay the entire \$60,000 annual mortgage payment on the ice arena.

The statistically valid survey also indicates a level of support for different potential funding mechanisms. The most frequently indicated choice of municipal funding mechanism for new recreation and culture services was to reallocate existing funding from other municipal sources (25 percent). Support for taxes (property, sales, other) as the preferred funding mechanism ranged from approximately 12-18 percent, while survey results also indicate that over 55 percent of area residents would to some degree favor the creation of a service area in the Homer area to fund new recreation and culture services. The most likely and robust strategy for funding existing and new recreation and culture facilities and services is to leverage funding from a variety of sources, including city tax funding, user fees, grants and continued volunteer support.

INTRODUCTION

For a long time, the Homer area has had a rich offering of recreation and culture amenities. Community parks and beaches, indoor and outdoor sports, visual and performing arts, cultural events and festivals are all part of the local quality of life for residents of all ages. This is part of what makes Homer what it is, part of what brings new friends and family to live in the area, and part of what keeps residents healthy and engaged in community life.

While the community is abundant in recreation and culture resources, the City and a number of community organizations face tight budgets, overcommitted or inadequate physical facilities, and other limitations to their ability to sustain programming and facilities. The Recreation and Culture Needs Assessment is intended to help the greater community to get creatively organized about how to make the most of what Homer has already, to build on that foundation to provide new amenities, or to move existing programs and facilities in new directions. The needs assessment also provides greater clarity about the value of recreation and culture activities to the community and identifies potential resources and strategies to sustain and grow the amenities that make Homer the place residents want to live. The needs assessment does this by:

1. Assessing community values, wants and needs related to PARC resources, based on feedback from a broad range of organizations, individuals, and businesses;
2. Identifying gaps between identified needs and existing facilities and programs; and
3. Investigating strategies for meeting priority needs, recognizing the realities of finite resources (e.g., funding, volunteers, profitable business opportunities) and Homer's relatively small population. Strategies include better use of existing facilities, while investigating options for new resources to support future recreation and culture improvements.

The results of the needs assessment reflect the reality that many residents, businesses, organizations of and visitors deeply value recreation and culture resources for their social, health and quality of life benefits, for the economic opportunities they provide, and because they make Homer the community and the place in which they choose to live. Homer has attracted a community of people with great vision and capacity to make things happen: community members dedicate a remarkable number of volunteer hours, have started and maintained numerous nonprofits, hosted community events, and donated materials and funding toward various community resources.

With all this community effort, Homer already has a wealth of parks, art, recreation, and cultural resources. The needs assessment reveals a desire for even more: a broad and ambitious list of ways to further expand and fill recreation and culture gaps. At the same time, it is clear that there are limits in the community's ability to meet all expressed wishes, and that there is a desire to be realistic about how much the community is able to take on and sustain over time. To satisfy these goals, identified needs are presented within the context of an overall set of strategies:

1. Maximize the use of existing public resources.
2. Look for and take advantage of opportunities for the private sector to fill gaps.
3. Explore new ways to improve the efficiency and coordination of providing recreation and culture resources and related information sharing.
4. Maintain existing facilities while developing funding strategies for highest priority future expansion or renewal projects.

METHODOLOGY

A full list of identified needs was generated from a review of previous relevant plans and studies, an online community survey (989 responses, representing approximately 1,700 people), an online provider questionnaire (21 responses), community workshop (approximately 40 participants) and focus group discussions (approximately 55 participants), and key informant interviews. From this inventory, a set of priorities was determined by filtering the identified needs based on whether they had:

1. Broad support from multiple user groups and the general public and therefore would directly serve the largest portion of the community, or
2. High level of support from one or more organized user group(s) and therefore already has a project champion, although it would directly serve a smaller subset of the community.

The identified needs were also filtered through a set of specific criteria developed by the community as the basis for prioritization; these criteria determined that priorities should:

1. Contribute to the economic vitality of the community.
2. Bring together multiple organizations and user groups (such as seniors and youth).
3. Support the capacity and mission of existing organizations.
4. Be affordable to users.
5. Be able to be staffed and maintained.
6. Have a user group.
7. Be physically accessible to community members, in a central location, and complement adjacent land uses (if applicable).
8. Include both passive and active recreation together.

A gap analysis of recreation and culture needs was performed with the priorities that emerged through this filtering process. The City of Homer oversaw the process, with staff support and project management provided by Walt Wrede and Julie Engebretsen, and guidance from the Parks, Art, Recreation and Culture (PARC) Advisory Committee, which represented perspectives from the Homer Council on the Arts (HCOA), Parks and Recreation Commission, Homer Hockey, MAPP of the Southern Kenai Peninsula, Kenai Peninsula Borough Assembly, ReCreate Rec, Bunnell Arts

Center, City of Homer Community Recreation, Homer Voice for Business, and motorized sports groups (e.g., Snomads).

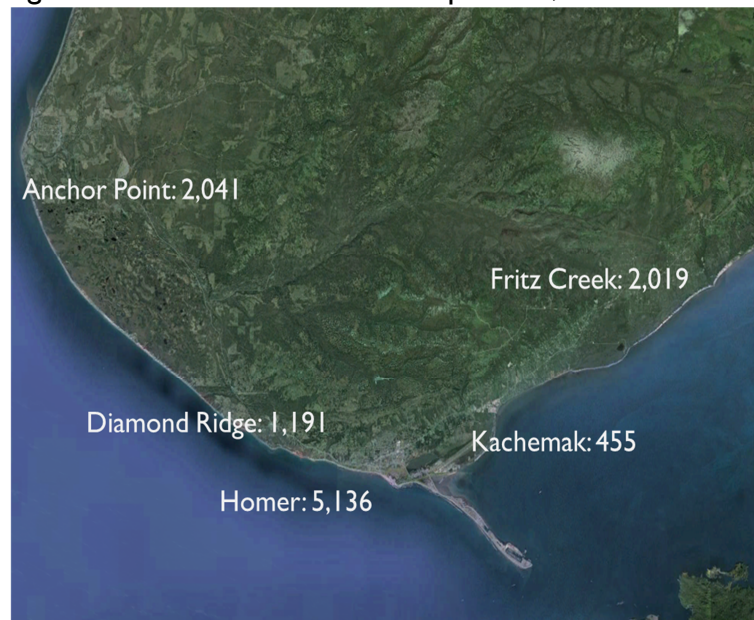
A statistically valid telephone survey was conducted by Ivan Moore Research, primarily to assess the community's willingness to pay for identified recreation and culture needs. Survey results indicated that recreation and culture are important to the majority of area residents and that there is some support for increasing public funding for recreation and culture facilities and services through various means. The full survey report cross-tabulates responses by categories such as zip code, age, and income for a more detailed picture of how people value recreation and culture resources, as well as funding options at the time of the survey.

RECREATION AND CULTURE IN GREATER HOMER

THE GREATER HOMER COMMUNITY

Residents, businesses, organizations of and visitors to the greater Homer area deeply value recreation and culture resources for their social, health and quality of life benefits, for the economic opportunities they provide, and because they make greater Homer the community and the place in which they choose to live. The greater Homer area has attracted a community of people with great vision and capacity to make things happen: community members dedicate a remarkable number of volunteer hours, have started and maintained numerous nonprofits, hosted community events, and donated materials and funding toward various community resources.

Figure 1: Greater Homer Area Population, 2013



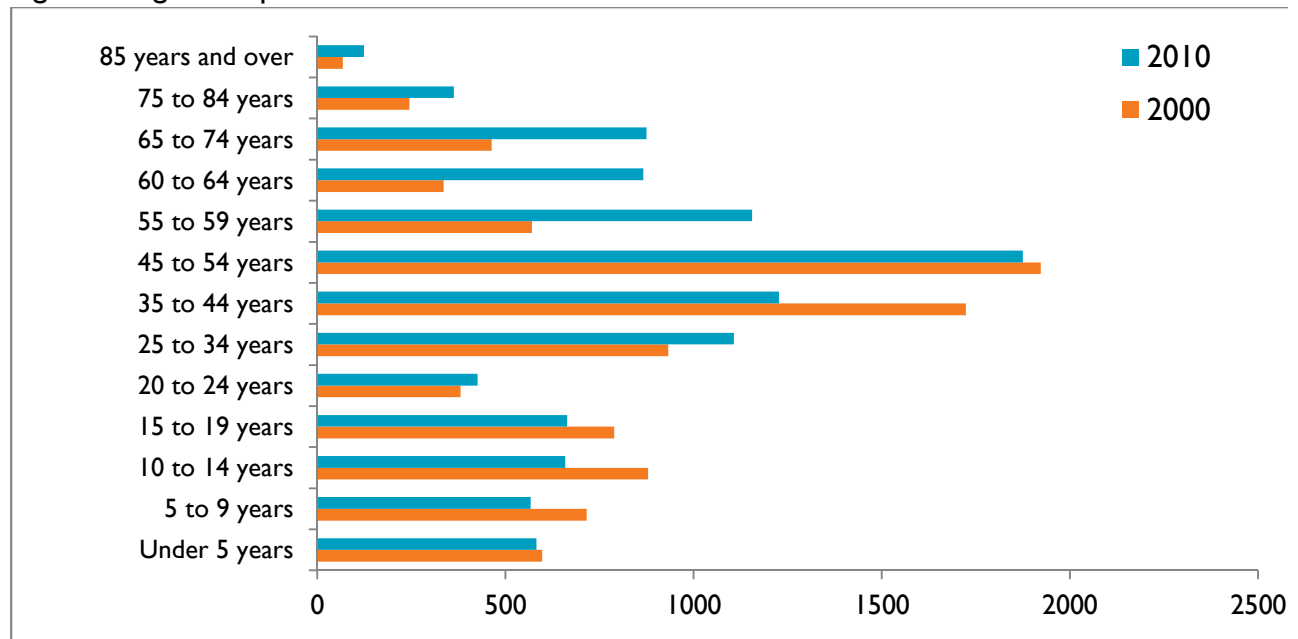
Sources: Alaska Department of Labor and Workforce Development, Research and Analysis Section; and U.S. Census Bureau

POPULATION TRENDS

The Homer Recreation and Culture Needs Assessment focuses on the City of Homer and four neighboring census tracts: Anchor Point, Fritz Creek, Diamond Ridge and Kachemak City. The population of this area totaled 10,842 in 2013.² Changing age distribution in this area between 2000 and 2010 suggests that it will see greater recreation and culture participation by seniors and stable or decreased participation by other age groups. The population of people age 55 to 74 nearly doubled during that time, while the population age 35-44 decreased by almost 500.

² Sources: Alaska Department of Labor and Workforce Development, Research and Analysis Section; and U.S. Census Bureau

Figure 2: Age of Population in Greater Homer, 2000 and 2010



Sources: 2000 Census, 2008-2012 American Community Survey 5-year estimate; Greater Homer area includes Homer city, Kachemak city, Diamond Ridge, Fritz Creek, and Anchor Point.

The population over 65 is projected to almost double in the next forty years. This trend suggests that the greater Homer area is likely to see more recreation and culture participation by seniors; this increase could include more potential volunteers among active seniors.

Figure 3: Projected senior population 2012-2042

	2012	2017	2022	2032	2042	annual increase	total increase
Homer Population	10,783	11,217	11,628	12,183	12,434	1%	15%
Homer Population 65+	1,733	2,150	2,789	3,325	3,094	3%	78%
65+ percent of total population	16%	19%	24%	27%	25%		

This projection method assumes the Homer population will remain the same size relative to the Kenai Peninsula Borough (19 percent of total population) and applies the 65 and older population annual increase in the Kenai Peninsula Borough (KPB) to the Homer population.

Source: 2010, Census, 2008-2012 American Community Survey 5-year estimate; Alaska Population Estimates by Borough, Census Area, City, and Census Designated Place (CDP), 2010-2013; State of Alaska Population Projections 2012-42

Youth population trends are less clear, suggesting that recreation and culture resources should remain flexible to accommodate changing youth populations. While the number of the young people under age 19 living in greater Homer decreased dramatically between 2000 and 2010, the population under five years old has decreased by a significantly smaller amount than the older youth population, indicating that the decrease in youth population may be slowing. Anecdotal evidence suggests that the number of young people is (or will soon be) increasing because of the number of infants that have been born within the last two to three years. The Kenai Peninsula Borough is projected to have an overall increase in young people.

Figure 4: Population Change in the Greater Homer Area, Age 19 and Under, 2000-2010

Age	2000	2010	Change
Under 5 years	598	583	-3%
5 to 9 years	716	567	-21%
10 to 14 years	879	659	-25%
15 to 19 years	789	664	-16%
All age 19 and under	2,982	2,473	-17%

Source: 2010, Census, 2008-2012 American Community Survey 5-year estimate; Alaska Population Estimates by Borough, Census Area, City, and Census Designated Place (CDP), 2010-2013

Figure 5: Kenai Peninsula Borough population projections 2012-2042

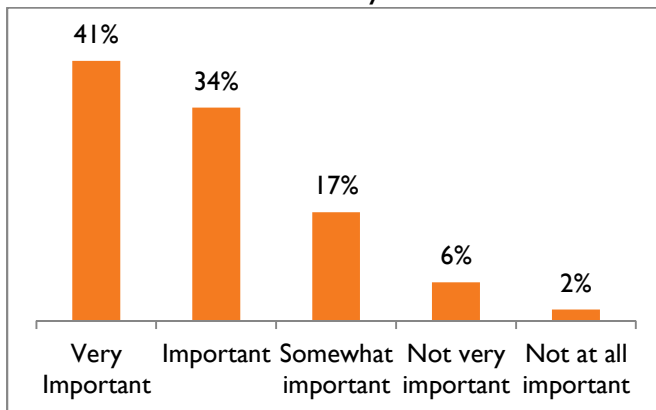
	2012	2022	2032	2042	% increase
Kenai Peninsula Borough	56,718	61,391	64,321	65,647	16%
19 and under	14,423	15,483	16,865	17,403	21%

Source: State of Alaska Population Projections 2012-42

THE VALUE OF RECREATION AND CULTURE

Results from both an online (non-statistically valid) survey and a telephone (statistically-valid) survey indicate that recreation and culture activities are important to Homer community members. Seventy five percent of online community survey respondents (self-selected) said arts and recreation activities were important or very important to them and their immediate family.³ Just over 59 percent of statistically-valid telephone survey respondents indicated that recreation and culture activities are important or very important to them and their immediate family and friends.

Figure 6: Importance of arts and recreation activities to immediate family and friends?



Source: 2014 Recreation and Culture Needs Assessment Community Online Survey.

Figure 7: Importance of Recreation and Culture Activities

How important are the availability of recreation and culture activities to you and your immediate family and friends?

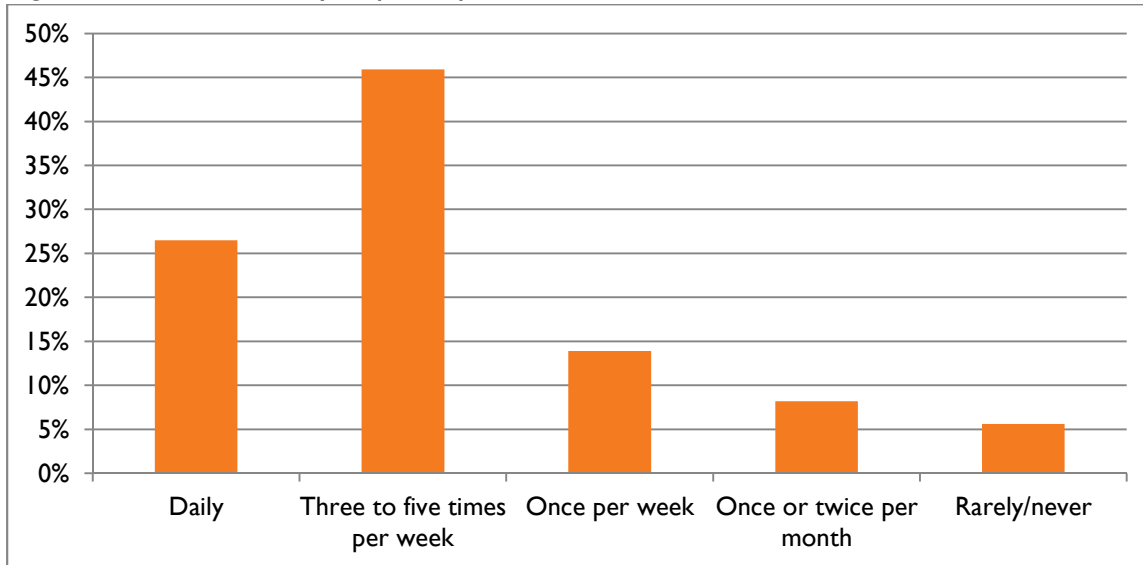
Response	Percent	Number
Very important	43.6%	113
Important	15.7%	41
Somewhat important	24.3%	63
Not very important	7.1%	18
Not at all important	8.7%	23
Not sure.	0.6%	2

³ The online survey asked residents to rate the importance of arts and recreation separately. To compare results with the statistically valid survey, respondent answers to the importance of art and recreation were combined to create an index representing the combined importance of recreation and arts.

Source: 2014 Recreation and Culture Needs Assessment Public Opinion Survey, Ivan Moore Research. Raw survey results are weighted according to the following: 1) Responses apportioned by zip code according to the adult population in each; 2) Marital status balanced by gender in both zip codes (i.e., the percentage of married men equals that of married women and the percentage of single men equals that of single women); 3) The age distribution is weighted to match the census distribution of head of household; 4) Cellphone-only responses were appropriately weighted against landline responses.

Survey results also suggest that recreation and culture are an important part of residents' daily life. Around 75 percent of online community survey respondents participate in a recreation and culture activity three or more times per week.

Figure 8: How often do you participate in activities?



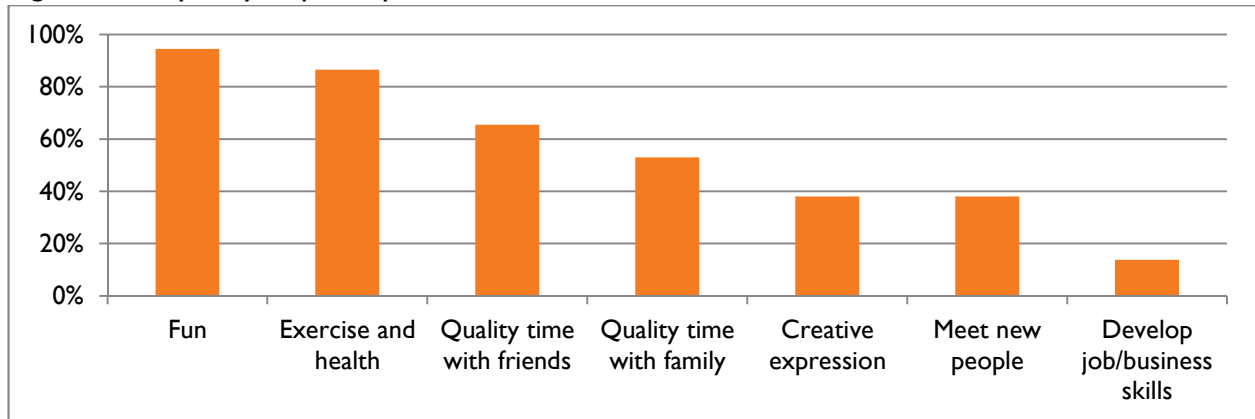
Source: 2014 Recreation and Culture Needs Assessment Online Community Survey

COMMUNITY BENEFITS

Fun is the number one reason Homer residents participate in recreation and culture activities. Ninety percent of the nearly 1,000 survey respondents said fun was one reason they participated in recreation and culture activities. Recreation and culture activities provide utilitarian benefits as well: nearly 85 percent of respondents said they participated for exercise and health benefits. Respondents said that recreation and culture activities help with stress management, spiritual health and quality of life during the winter months.

Recreation is a quality of life priority for my family and I value youth activity opportunities above almost all else.

Figure 9: Why do you participate in recreation and culture activities?



Source: 2014 Recreation and Culture Needs Assessment Online Community Survey

Community workshop participants identified these intangible benefits of recreation and culture to the Homer community:

- **Health benefits** | Community safety; mental and physical health.
- **Family and social wellbeing** | Networking, role modeling, having places for people to interact, as an extended family, especially when many people have family far away.
- **Education** | Opportunities for young people to spend free time and/or to develop their vocations; contributes to a great school system.
- **Natural resource conservation** | Opportunities to learn about and experience the natural environment, fosters conservation.
- **Economic wellbeing** | Generates business opportunities and is a visitor destination.

ECONOMIC BENEFITS

Recreation and culture amenities also provide direct and indirect economic benefits. Respondents to the Recreation and Culture Needs Assessment Provider Survey reported that recreation and culture resources provide about 175 full-time, part-time, or contracted jobs in the Homer community. The Alaska Department of Labor and Workforce Development estimates that around 300 people have experience in this job category.

Figure 10: Number of Workers with Experience in PARC Industries, 2009–2013

Place	Arts, entertainment, recreation employment experience by place of residence
Homer city	181
Anchor Point	28
Diamond Ridge	27
Fritz Creek	50
Kachemak city	15
All	301

Source: Number of Workers with Experience in Industry 2009–2013, Alaska Department of Labor and Workforce Development, Research and Analysis Section. Last updated on August 26, 2014.

Indirect economic benefits come mainly through the visitor industry. The average visitor to Homer spends \$257 per trip, including \$87 on tours, activities and entertainment; 16 percent of Homer workers are employed in leisure and hospitality.⁴ The Provider Survey also indicated that recreation and culture resources do attract visitors who support the Homer economy, drawing anywhere from 500-600 attendees to recreation and culture events, with the average event drawing about 115 people in addition to the people producing, performing or competing in the event. Other providers indicate that:

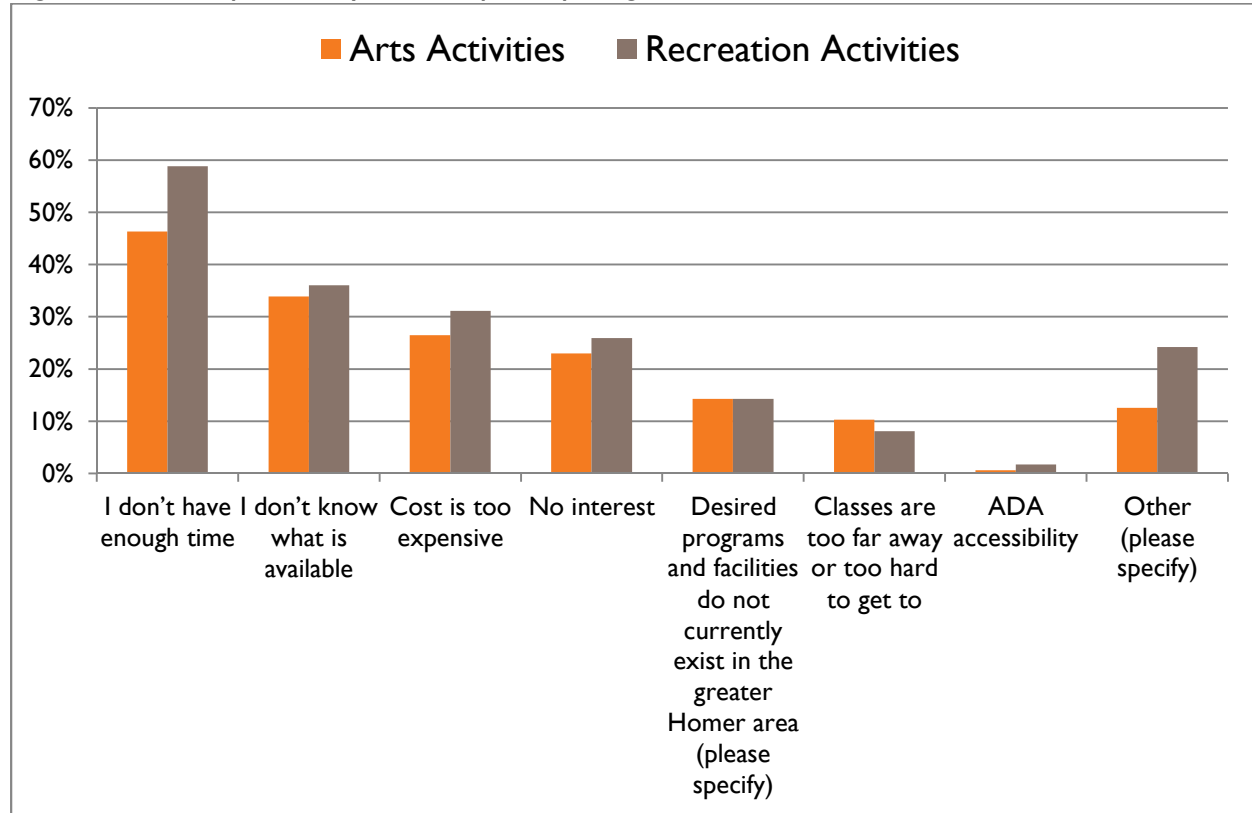
- Nearly 90 percent of campground users come from outside of Homer (City of Homer Parks Maintenance).
- About 10 percent of the Kachemak Wooden Boat Society festival attendees come from out of town.
- Every Saturday visiting Little League teams from the Kenai Peninsula or Anchorage visit Homer to play ball, eat lunch and dinner. Many spend the night and plan a fishing trip (Homer Little League).

⁴ Source: Alaska Economic Trends, June 2013, AKDOLWD; Alaska Visitor Statistics Program VI: Summer 2011, McDowell Group.

BARRIERS TO PARTICIPATION

Through the online community survey (self-selected), the needs assessment identified a number of barriers to participation in recreation and culture activities, as well as common themes for overcoming these barriers. A number of survey respondents also indicated that they are fully satisfied with recreation and culture offerings in the Homer area and believed that no changes are needed.

Figure 11: What prevents you from participating in recreation and culture activities more often?



Source: 2014 Recreation and Culture Needs Assessment Online Community Survey

The assessment identified several common themes for overcoming these barriers to participation:

- **Time** | Lack of time or scheduling conflicts prevent people from participating in what is available. Sometimes there are too many things happening at the same time.
- **Space** | Some spaces (e.g., open gym, publicly-accessible workshop) are unavailable when people want to use them; some are not available at all.
- **Communication** | People don't always know what is available to them, and/or don't know where to find out about events, classes, and other resources that might interest them.
- **Location/Transportation** | Some people indicated that they live too far away, or have no transportation to get to the programs and facilities they want to use. Several

also mentioned a lack of safe pedestrian and bicyclist routes in town, where most of Homer's recreation and culture opportunities exist.

- **Money** | Some don't have the money needed to participate in all the activities they are interested in. For some, rising land values and a lack of the right job opportunities have made it difficult to afford to even live in Homer, particularly for young families.
- **Youth and Childcare** | Some people said they need more childcare options or supervised activities for children; some young people said they need more places to go outside of school hours.
- **Volunteers** | Some said more volunteers are needed, there too many opportunities and people are getting burned out, others said they need to volunteer less in order to have more time available for PARC activities.

Youth and seniors echoed many of these common themes. Among youth, the most common barriers to participating in more recreation and culture activities include transportation, money and weather. Seniors mentioned the need for more ways for new arrivals to Homer to connect with recreation and culture activities and groups. Caregivers for less active seniors pointed out that because it takes extra time and energy to help these less independent elders out of the house, planned activities and events are better for outings, while short unstructured activities are easier at home or in places like the Senior Center.

We visit Homer at least twice a year so more festivals would be nice so we can plan a little getaway from Anchorage. As for arts, they are pretty expensive, because it is worth it.

EXISTING RECREATION AND CULTURE

The Homer has many existing recreation and culture resources. The Recreation and Culture Needs Assessment indicated a few common overarching themes:

- A number of space constraints were identified for indoor activities.
- Outdoor facilities are well used.
- A large number and wide variety of activities, events and programming are available; there appears to be more participation in outdoor than indoor activities.
- There is a desire for more consolidation and leveraging resources to more effectively manage and advertise recreation and culture facilities, activities, events and programming.

An inventory of recreation and culture resources is included in Appendix A.

SUMMARY OF EXISTING RECREATION AND CULTURE RESOURCES

INDOOR FACILITIES

The Needs Assessment confirms that Homer currently has a number of different indoor recreation and culture spaces, yet there are also space constraints, scheduling conflicts and a lack of certain types of indoor facilities. These space constraints exist in part because some existing facilities, such as the HERC and the High School, are already used to their current capacity. The gap analysis provides more information about the capacity of different spaces to meet identified needs.

Existing large indoor multi-purpose spaces include the Homer High School gym, the HERC building and middle and elementary school multipurpose rooms. The Mariner Theater hosts large performances; Pier 1 puts on productions in the summer; and smaller winter season shows use spaces like the Bunnell Street Arts Center, the Homer Council on the Arts (HCOA) Gallery, the Homer Theater, the Pratt Museum, and bars/restaurants. Smaller indoor recreation spaces for dance and yoga include the Bay Club, the High School, private yoga studios, and the HERC building. There are spaces for specific activities, like pottery or woodworking, throughout Homer, but the most accessible studio spaces are at the High School and have experienced a number of scheduling conflicts. Homer also has a number of flexible spaces, which offer the potential to be temporarily or permanently reconceived to meet the demand for additional specialized spaces that are currently unavailable. For example, Kachemak Bay Campus, the Pratt Museum and Homer Council on the Arts already host multiple types of events. See Appendix A, Indoor Flexible Spaces, for an additional list of spaces that can meet the needs of a variety of events and uses.

OUTDOOR FACILITIES

The Needs Assessment confirmed that the area’s existing parks, trails and other outdoor spaces are well-used and that a number of projects have benefitted from the coordination of various public and outdoor interest groups to plan and raise funding for improvements.

The City provides 17 dedicated parks and seven park areas for recreational purposes. The Kenai Peninsula School District maintains outdoor fields and tennis courts at the High School. The Homer area also has a number of year-round multi-use trails. Outdoor facilities also include:

- Homer Ski Club rope tow
- Kachemak Bay Equestrian Association Cottonwood Horse Park
- Outdoor basketball courts at the HERC and High School
- Softball, baseball, football, and soccer fields
- Multiuse trails (for mountain biking, cross country skiing, hiking, and other activities)
- Disc golf course
- Street art
- Outdoor space at the Pratt Museum (10 acres)
- Outdoor amphitheaters at the library, Pratt Museum, and Islands and Ocean Center.

Figure 12: Participation in Outdoor Activities

Outdoor Activity	Responses (Percent)	Responses (Raw number)
Walking	71%	646
Recreational Fishing	58%	531
Camping	58%	530
Bicycling	56%	510
Recreational Boating	48%	435
Cross Country Skiing	46%	416
Gardening	45%	405
Wildfood Harvesting	41%	377
Festivals	38%	342
Photography	37%	339

Source: 2014 Recreation and Culture Needs Assessment Online Community Survey

ACTIVITIES, EVENTS, PROGRAMMING

The Needs Assessment confirmed that the greater Homer community offers a relatively large number and variety of recreation and culture activities, events and programming. Residents and visitors are very involved in recreation and culture activities, as participants or users, as providers and as volunteers. The activities and events that draw the most frequent and steady participation tend to change over time as new activities are introduced and others fade in popularity. Some

Figure 13: Participation in Indoor Activities

Indoor Activity	Responses (Percent)	Responses (Raw number)
Swimming	43%	365
Performance Art	40%	344
Gym	38%	321
Lifelong Learning	33%	280
Hockey/Ice Sports	28%	242
Yoga/tai chi/meditation	28%	237
Cooking	25%	216
Visual Arts	23%	193
Basketball	20%	168
Card and board games	18%	155

Source: 2014 Recreation and Culture Needs Assessment Online Community Survey

outdoor activities and use outdoor spaces. Outdoor activities could be more popular in general. They may also be more accessible: often there is no membership or user fee involved for outdoor activities, and there may be fewer scheduling constraints because people can usually participate in outdoor activities at any time of day. Greater participation in outdoor activities may also be an indication of the shortage of indoor facilities reported by the community.

MANAGEMENT AND COMMUNICATION

A desire for consolidation and simplification was the overall theme that emerged from the Needs Assessment about the state of provider management of and communication about recreation and culture resources in the Homer area. Although Homer has a robust volunteer base and a community culture that supports volunteerism, some providers have been challenged to find volunteer staff and board members, and expressed a desire for consolidation. The community also recognizes that pooling efforts and resources may allow providers to leverage even more resources. For instance, some providers suggested the benefits of working together to pursue funding for joint projects.

activities/events have seen a decline in participation, but many providers reported steady or growing participation. For example, Concert on the Lawn will be discontinued in 2015 because of decreased attendance, while Colors of Homer is thriving as a shared community arts event that includes music.

Providers and users emphasize that these activities and events bring new people to visit or even live in the Homer area. Some providers indicated the desire to expand their programming, but have encountered space constraints.

Community survey results⁵ suggest that more people participate in

⁵ 2014 Recreation and Culture Needs Assessment Online Community Survey.

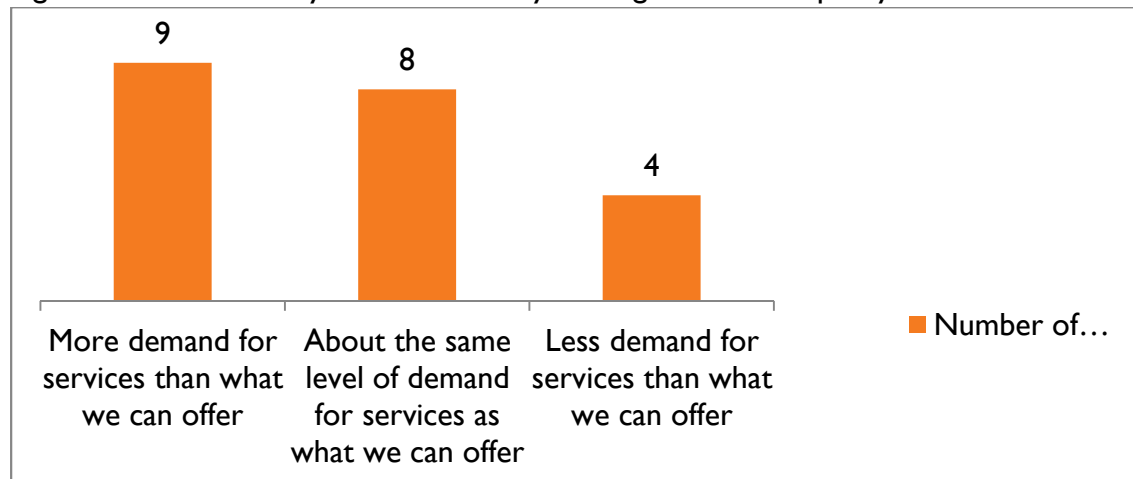
Existing City staff managing parks and City recreation programs are at or above capacity to meet local demand for these programs, and could benefit from partnerships with providers.

While participation in specific events and activities naturally ebbs and flows, most of Homer's recreation and culture providers indicated that interest in their programs has been strong. Yet Homer has so much recreation and culture that residents and visitors are not always aware of what is available to them. Some of the most frequently identified needs are not for new programs and facilities, but for more centralized and internet-based communication about what is happening and available.

Providers | In addition to the Homer area's stunning natural landscape, provider organizations are the engine of arts and recreation opportunities. For the purposes of this needs assessment, the Recreation and Culture Committee defined recreation and culture providers as a business or organization that provides classes or puts on performances or events. Activity user groups (e.g., Snomads) were also considered recreation and culture providers. Churches and civic groups are also recognized as providing valuable recreation and culture opportunities for adults and young people alike. Additionally, sole proprietor artists, co-ops, and galleries add to making Homer the rich recreation and culture community that it is.

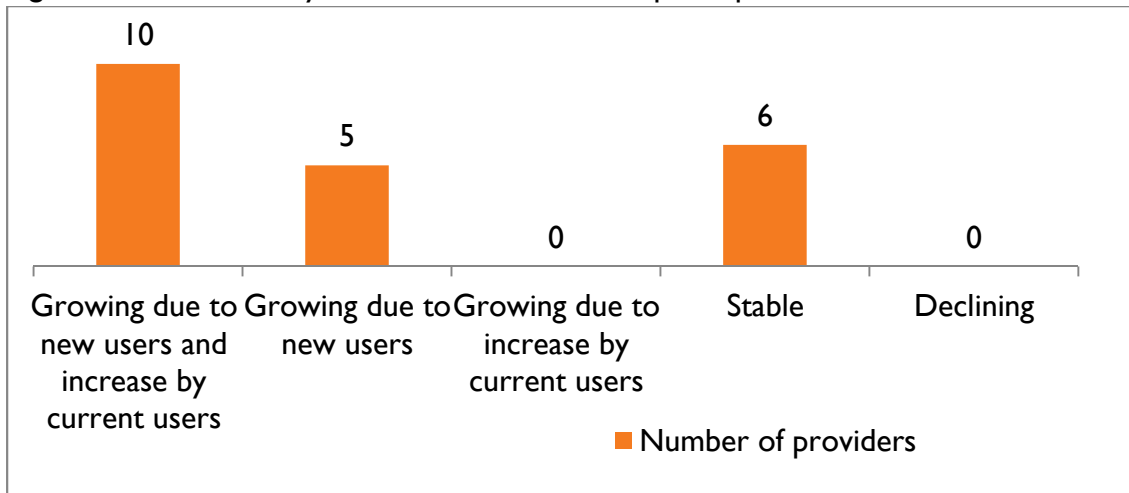
Twenty one providers responded to the provider questionnaire. Most providers are stable or growing. Figure 14 shows that less than half of the providers surveyed were operating at a capacity that fit their organization. Nine said they had more demand for services than they could provide and four said they had less demand than they could provide. Providers highlighted the importance of their volunteers, the difficulty of finding heated indoor space, and the difficulty of finding funding.

Figure 14: How would you characterize your organization's capacity?



Source: 2014 Recreation and Culture Needs Assessment Provider Survey

Figure 15: How would you characterize trends in participation or use?



Source: 2014 Recreation and Culture Needs Assessment Provider Survey

The City of Homer and Community Recreation | Recreation services are supported by two departments and three divisions of the City of Homer. The Community Recreation program, under the direction of the Department of Administration, provides programming and facility access in two main non-municipal locations and one city-owned property, the HERC building. The Division of Parks in the Public Works Department maintains recreation facilities, primarily parks, trails and campgrounds. Some stakeholders advocated consolidating these functions under a single Parks and Recreation Department to provide better services. Figure 16 shows that of the 25 largest cities in Alaska in 2010, approximately 76 percent had local parks and recreation departments and 76 percent had a community or recreation center in 2010. Only three of communities (Homer, Dillingham and Houston) had neither a Parks and Recreation Department nor a Borough to provide coordinated park and recreation services. Homer is one of three of Alaska’s 25 largest cities that uses local schools as a recreation center.

Figure 16: Recreation and Culture Services in Alaska’s 25 Largest Cities

City	Population	Parks and Recreation Department	Borough provides?	Community/ Recreation Center
Anchorage	291,826	Yes	No	Yes
Fairbanks	31,535	No	Yes	Yes
Juneau	31,275	Yes	Combined city/borough	Yes
Sitka	8,881	Yes	Combined city/borough	No
Ketchikan	8,050	No	No	Yes
Wasilla	7,831	Yes	Yes	Yes
Kenai	7,100	Yes	No	No
Kodiak	6,130	Yes	Combined city/borough	No (schools)
Bethel	6,080	Yes	No	Yes
Palmer	5,937	Yes	Yes	Yes
Homer	5,003	No	No	No (schools)
Unalaska	4,376	Yes	No	Yes
Barrow	4,212	Yes	No	Yes
Soldotna	4,163	Yes	No	Yes
Valdez	3,976	Yes	No	Yes
Nome	3,598	Yes	No	Yes
Kotzebue	3,201	Yes	No	Yes
Petersburg	2,948	Yes	Combined city/borough	Yes
Seward	2,693	Yes	No	Yes
Wrangell	2,369	Yes	Combined city/borough	Yes
Dillingham	2,329	No	No	No
Cordova	2,239	Yes	No	Yes
North Pole	2,117	No	Yes	No
Houston	1,912	No	No	No (schools)
Craig	1,201	Yes	No	Yes

Source: City of Homer Community Recreation, 2010 Census.

Other Recreation and Culture Coordinators | In addition to the City, several organizations coordinate and facilitate multiple types of recreation and culture opportunities and bring user groups and spectators together across activities. These coordinators include:

- MAPP of Homer
- Homer Arts and Culture Alliance
- Homer Council on the Arts, including Artist Registry
- Kenai Peninsula School District
- Homer Chamber of Commerce

Information and Advertising | Getting the word out about recreation and culture facilities and programs is just as important as having the resources to begin with. Participation might be low for some programming because people are unaware of what is available, especially for visitors and new residents who are just learning about the community and what it has to offer. Providers, users and the general public repeatedly mentioned the need for a centralized community calendar. MAPP of Homer is currently working on an integrated web based calendar that providers can use, so meeting the need for more coordinated information sharing might be close. Existing community calendars and information sources include:

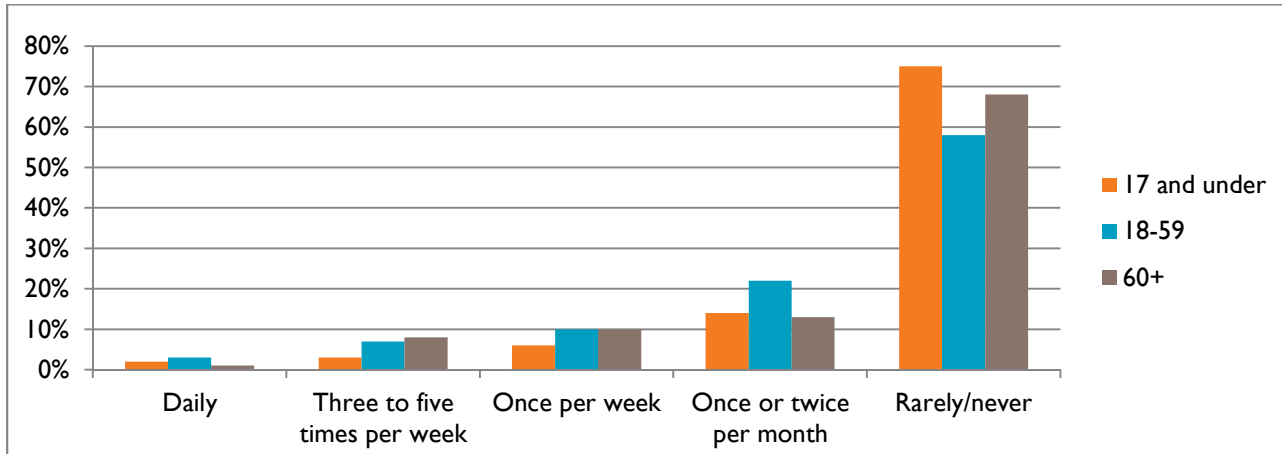
- Homer News
- City of Homer
- Individual arts, recreation, civic organizations
- Homer Council on the Arts website, arts calendar and e-news and artist registry
- Homer Public Radio AM 890
- Pop411.org
- KBBI calendar

Volunteers | Providers and community members highlighted the importance of volunteers in sustaining recreation and culture activities and amenities in Homer. Recreation and culture provider survey respondents totaled:

- 52,742 volunteer hours per year, or 144 hours per day (not including the organization that approximated “literally thousands” of volunteer hours annually).
- At least 85 board member positions.
- At least 133 formal volunteer positions.
- Recreation and culture providers rely on at least 796 informal or event specific volunteer positions.

Community respondents also reported volunteering. Fifteen percent volunteer once per week or more, and 65 percent rarely or never volunteer. Working age survey respondents reported volunteering more frequently than youth or seniors.

Figure 17: On average, how often do you volunteer at recreation and culture programs and activities?



Source: 2014 Recreation and Culture Needs Assessment Online Community Survey

GAP ANALYSIS OF RECREATION AND CULTURE NEEDS

To be realistic about how much the greater Homer community is able to take on and sustain over time, identified needs are presented within the context of an overall set of strategies:

1. Maximize the use of existing public resources.
2. Look for and take advantage of opportunities for the private sector to fill gaps.
3. Explore new ways to improve the efficiency and coordination of providing recreation and culture resources and related information sharing.
4. Maintain existing facilities while developing funding strategies for highest priority future expansion or renewal projects.

SUMMARY OF IDENTIFIED PRIORITY NEEDS

Identified priority needs focus on the need for indoor facilities/activities and improvements to recreation and culture resource coordination, and also included a number of more modest of outdoor facilities and programming needs.

Figure 18: Provider Space Needs

Facility need	Providers	Percent
We need more heated indoor space	11	52%
We need more outdoor space	9	53%
We need specialized space	12	57%
We currently do not have any space needs.	2	10%
Other [1]	9	53%

[1] Includes: Access at high priority times (e.g., right after school); ADA accessible space; Access to calendar and coordinating for space that is available; Headquarters/space that different user groups can overlap and interact in; Childcare space.

Source: 2014 Recreation and Culture Needs Assessment Provider Survey

INDOOR FACILITIES

Of the priorities that filtered to the top, the most significant was space for indoor activities. The most pressing needs are for a general-purpose gymnasium and a multi-purpose space for dance, martial arts, and performing arts rehearsals. The City will be unable to expand these types of programming until adequate space is created. Specific identified needs include:

- Active recreation space: large multi-purpose gymnasium, indoor walking track, affordable weight room, martial arts gym, indoor (and outdoor) racket sports.

- Space for the arts: centralized location for music activities (including practice studio, recording studio and/or programming), more spaces for making art, 200-300 seat performance space, and
- Spaces for youth: toddler and family spaces,⁶ teen space while school is not in session.

Depending on specific designs, many or even all of these needs might be met in a single facility. A multi-purpose community center was the most frequently identified need across providers, user groups, existing plans and the general public. Although frequently mentioned, a new multipurpose facility would be costly. Considering the other identified needs, this project should be

Looking forward to retirement and would really like to see a community facility with many activities available under one roof and a park facility for multipurpose outdoor activities

deferred to a medium or long-term status, giving the area population, industry and tax base time to grow. In the near term, the next step for the community will be to determine whether to meet priority indoor space needs through existing facilities, new discrete facilities or grouped within a single multi-use project. This discussion will involve consideration of: the availability of existing spaces and their ability to adequately meet the identified needs; potential project providers (who will own and operate the space, who will run the activities), their responsibilities, level of commitment and ability to sustain use/participation; potential funding mechanisms and willingness to pay; and which uses will be compatible or incompatible in a multi-use facility. While these decisions are being made, the City should investigate ways to keep the HERC open (e.g., for another 10 years) to help meet indoor space needs. The Pratt Museum might also be able to fulfill some of these needs in the interim and in the future. The Museum is currently conducting a capital campaign to build a new building in the near future. The existing building could be repurposed to provide artist space, art and culture space, and/or potentially a small theater.

Another priority that came up repeatedly during the needs assessment is the need to stabilize the financial future of the Kevin Bell Ice Arena. Though the City is not responsible for this facility, thousands of people use the facility (up to 800 in a week). The facility supports local users and also attracts teams from outside the community who spend time (and money) in Homer. Aside from the debt of the building and land, the rink's revenue has supported its yearly operations since it opened in 2005. Current debt totals \$2.74 million, and it will require \$60,000 per year to repay. The rink has become an institution in Homer, providing healthy lifestyle choices and also important winter revenue with the annual tournaments and games, bringing visitors from other cities. The Needs Assessment is not the forum in which to work out the specific near term strategies on this time-sensitive issue. The community can continue to seek opportunities to match existing user needs to

⁶ Some of these space needs may be fulfilled by better communication about existing toddler-friendly spaces and activities; many programs are already offered and new activities starting.

the arena (e.g., indoor walking, climbing) as well as investigate longer term revenue sources that could help sustain the facility. Consider expanding City funding to cover a portion of the \$60,000 annual debt payment.

OUTDOOR FACILITIES

Priority outdoor facilities include: upgrading the softball fields, car-free ice skating at Beluga Lake, a warming hut on the spit, an outdoor amphitheater, and multi-use trail connections. These outdoor improvements, while important, present a much lower threshold of cost and complexity than the possible need for some form of new, multipurpose indoor facility(ies).

ACTIVITIES, EVENTS, PROGRAMING

A number of programming needs were identified, listed below. Exploring options to meet these identified needs is important, but must be considered in the context of the management and/or addition of indoor facilities, which is closely tied to many of these identified needs.

- Indoor, winter event space and programing, activities (e.g. laser tag, bumper cars, go cart track, child play area), and longer hours for programs or facilities (e.g. late night and/or early morning).
- Multi-generational activities, for parents and toddlers, for mentally and physical disabled older people, for seniors in general.
- Activities at McNeil Canyon School and in Anchor Point, specifically.
- Short courses/workshops (one day or less), with smaller time and financial commitment.
- Specific activities/classes: folk school, healthy cooking, lifelong learning programs, Zumba, wildfoods safety, marine safety, adult indoor soccer.

I think it would be great to offer a space that could accommodate children's activities and parent activities that run in conjunction. So kids have an opportunity to socialize and play while parents get time to exercise or take a class in their area of interest. For those of us who do not have extended family around, our friends are our family. We live here for the unmatched quality of life and sometimes need a little extra community support to pursue our own health and learning goals. – Survey Respondent

MANAGEMENT AND COMMUNICATION

Outreach results make clear that participants recognize the need for new strategies to meet these priorities and identified the following solutions:

- Make better use of what already is available:

- Centralized community calendar and information sharing (e.g., via mobile phone app).
- Transportation improvements to get people to activities/events (e.g., affordable cross-bay transportation, rides for youth and seniors who do not drive).
- Continued coordination and access to school district resources, particularly the high school.
- Improve the delivery of recreation and culture resources:
 - Centralized meeting room list/scheduler.
 - Consolidated community recreation and culture leadership to reduce the number of volunteer boards and enable better coordination among providers (e.g., calendaring, networking, partnerships on projects, joint fundraising or grant applications, reciprocal membership agreements).
 - Consider a centralized City Parks and Recreation Department with additional City of Homer recreation staff (existing staff are currently at capacity, and the City could potentially leverage increased community involvement toward providing services and completing park improvement projects with additional staff.).
 - Consider ways to maintain the Recreation and Culture Committee and continued City involvement in recreation and culture resource management.
- Investigate new funding options (e.g., service area); consistent capital funding is needed, whether for the HERC, ballfields, or park improvements.

If we had another gym, we could fill that with more school activities, let alone more community rec activities. There are a lot of groups that would like to be in there, just don't have time or space for them. - Douglas Waclawski, Principal, Homer High School

Figure 19: Priority Identified Needs

Table Key							
●	Indicates primary tier priority						
◆	Indicates secondary tier priority						
Project				Outreach Source			
Priority	Project	Category	Potential Community Center Element	Fall 2014 Outreach	Community Survey	Provider Survey	Previous Planning
●	Community recreation facility	Multi-purpose Indoor		■	■	■	
●	Multi-purpose gym	Multi-purpose Indoor	○	■	■	■	■
●	Convention center	Multi-purpose Indoor	○	■			
●	Multi-purpose community art space and more art classroom space (e.g., wood shop, kiln, press, darkroom)	Multi-purpose Indoor		■	■	■	■
●	200-250 person theater	Specialized Indoor	○	■	■	■	■
●	Children's art space; toddler/family/pre-school space, indoor play structure	Specialized Indoor		■	■	■	
●	Indoor walking facility/track	Specialized Indoor		■	■		■
●	Kevin Bell Arena financial support	Specialized Indoor		■	■	■	■
◆	Affordable weight room	Specialized Indoor		■	■		■
◆	Indoor and outdoor racket sports, including tennis	Specialized Indoor		■	■		
◆	Martial arts gym	Specialized Indoor	○		■		
◆	Music/recording studio	Specialized Indoor	○	■	■	■	
◆	Private music and art studios	Specialized Indoor	○	■			

Project				Outreach Source			
Priority	Project	Category	Potential Community Center Element	Fall 2014 Outreach	Community Survey	Provider Survey	Previous Planning
●	Space and programming for children and teens when school is not in session (e.g. Boys and Girls Club)	Central space/headquarters (Indoor)	○	■	■	■	■
◆	Space and/or programs for music (e.g. open jam, mentoring/volunteer taught lessons, community band, practice spaces)	Central space/headquarters (Indoor)	○	■	■	■	
●	Maintained, car free ice skating at Beluga Lake	Outdoor			■		
◆	Outdoor stage/amphitheater	Outdoor	○	■		■	■
◆	Warming hut on spit for water sports	Outdoor		■	■		
◆	Adequate parking at some facilities (e.g., Karen Hornaday Park, Jack Gist Park).	Outdoor		■		■	■
◆	Upgrade softball fields	Outdoor		■	■	■	■
●	Construct more non-motorized trails; bike and walking trails throughout the city and on main roads and neighborhoods; enhanced trail connections	Trails		■	■	■	■
●	Provide more ski trails in Anchor Point	Trails		■	■		■
◆	Improved maintenance for trails	Trails		■	■		
◆	Move toward multi-use trails in future	Trails		■	■	■	
●	Multi-generational activities	Programing		■			
●	Longer hours for programs or facilities (e.g. late night and/or early morning)	Programing		■	■		
●	More indoor activities (e.g. laser tag, bumper cars, go cart track, child play area)	Programing		■		■	■

Project				Outreach Source			
Priority	Project	Category	Potential Community Center Element	Fall 2014 Outreach	Community Survey	Provider Survey	Previous Planning
●	More for mentally and physical disabled older people, and for seniors in general	Programing	○	■			■
●	Marine safety programing	Programing		■	■		
●	More activities at McNeil Canyon School	Programing			■		
●	More activities in Anchor Point	Programing		■	■		
●	Parent-toddler classes	Programing			■		
◆	Folk school classes	Programing			■		
◆	Healthy cooking classes	Programing		■	■		
◆	Indoor soccer (adults only)	Programing			■		
◆	More short courses/workshops (1 day or less) with smaller time and financial commitment (e.g. at the University)	Programing		■	■		
◆	Vocational-technical classes and apprenticeship programs	Programing		■		■	■
◆	Wildfoods safety class	Programing			■		
◆	Zumba	Programing			■		
●	Improved, central community calendar (flyers, website, email updates, social media)	Coordination + Information		■	■		■
●	Continue to work with school district to enable off hours and off season use to the extent possible; Elementary, Middle and/or High School open to public for community schools or evening programs, as possible	Coordination + Information		■	■	■	■
●	Centralized Parks and Recreation Department	Coordination + Information		■		■	■
●	Expand capacity to maintain facilities and offer programs	Coordination + Information		■		■	■
●	Consolidate recreation and culture leadership. Reduce the number of volunteer boards; more coordination among providers (e.g., calendaring, networking, partnerships on projects, joint fundraising or grant applications, reciprocal membership agreements)	Coordination + Information		■	■	■	■
◆	More recreation and culture employees to provide project coordination and fundraising support, particularly grantwriting; could be	Coordination + Information		■		■	■

Project				Outreach Source			
Priority	Project	Category	Potential Community Center Element	Fall 2014 Outreach	Community Survey	Provider Survey	Previous Planning
	shared by various providers.						
◆	Meeting room List	Coordination + Information		■		■	
●	Park endowment fund	Funding		■			■
●	Park, Arts, Recreation and Culture, and Trails Foundation	Funding		■			
●	Sliding payment scale for participation in sporting activities and equipment, lower gym fees, including teen discount	Funding		■	■	■	■
◆	Recreation Service District	Funding		■			
◆	Reevaluate senior property tax exemption	Funding		■			
◆	Charge people who live outside of the city more to use city facilities and programs	Funding			■		
●	Transportation improvements, especially for those who don't drive (e.g. carpooling/ridesharing, improvements to trails and sidewalks, bike lanes, road crossings, better signage, connecting trails and paths through town, make places for people to park and walk)	Supporting		■	■	■	■
◆	Affordable transport across the bay	Programing		■	■		■
◆	Town center/square/plaza	Supporting	○	■			■

OPPORTUNITIES TO USE EXISTING FACILITIES

The community felt strongly that Homer’s many existing resources should be used to meet existing needs before any new facilities were built or programs started. Agnew::Beck analyzed the extent to which priority needs could be met with existing resources, based on the needs and existing resources inventories generated through the needs assessment process. The results are summarized in the table below. Many identified needs could potentially be met through existing or new resources, depending on the will of the community.

Figure 20: Opportunities to Use Existing Resources to Meet Priority Recreation and Culture Needs

Identified Need	Improve Coordination, Calendaring and Communication	Space Dependent	New Facility	Existing Resource(s)
Community Center				
Multi-purpose facility with gymnasium	Yes	Yes	Yes	HERC, High School, Middle School
Centrally located convention center	No	Yes	Yes (for larger events that require a central location)	Land’s End, Bidarka Hotel, Islands and Ocean, Kevin Bell Ice Arena (with flooring), Pratt Museum
200-300 seat performance venue ⁷	No	Yes	Yes	Mariner Theater, Pier One, Homer Theater, Homer Council on the Arts, Pratt Museum (if renovated)
Martial arts gymnasium/mat room ⁸	Yes	Yes	Yes	High School, private businesses
Toddler-family spaces	Yes	Yes	Maybe (depends on specific activities)	Senior Center, Library, Islands and Ocean , Homer Council on the Arts, Pratt Museum, Kevin Bell Arena, Pool, Schools, private businesses.
Teen space	Yes	Yes	Yes	High School, others (e.g., rec room)

⁷ 200-300 seat performance venue could be integrated with a main multi-purpose space, with green room (backstage warm-up/dressing room/rehearsal space for performers) as auxiliary space or additional black box (flexible space that is less constrained for other uses than the typical raised stage, permanent seating of a traditional theater).

⁸ A martial arts gymnasium/mat room could be designed to also serve as the green room noted above.

Identified Need	Improve Coordination, Calendaring and Communication			
	Space Dependent	New Facility	Existing Resource(s)	
Music hub	Yes	Yes	Yes	High School, private businesses (e.g., Lindianne’s Music Garden)
Art studios and art classroom space	Yes	Yes	Yes	Schools, Kachemak Bay Campus, Homer Council on the Arts, Pratt Museum
Affordable weight room	Yes	Yes	Maybe	High School
Indoor walking track	Yes	Yes	Yes	High School, Kevin Bell, Elementary Schools
Outdoor amphitheater	Yes	Yes	Maybe	Pratt Museum, Library, Islands and Ocean
Other Projects				
Community calendar MAPP Calendar	Yes	No	No	Homer News, City of Homer, Individual arts, recreation, civic organizations, Homer Council on the Arts, Homer Public Radio AM 890, Pop411.org, KBBI calendar
Address scheduling conflicts with Kenai Peninsula Borough District Resources. ⁹	Yes	Yes	Maybe	High School (has scheduling application), other schools, Community Recreation, others
Consolidated community recreation and culture leadership	Yes	No	No	Recreation and Culture Committee
Centralized City Park and Recreation Department ¹⁰	Yes	No	No	City of Homer Park Maintenance, Community Recreation

9 Schools may already be used to capacity. The high school is used for school, Kachemak Bay Campus, Community Recreation activities and other community events. All space availability is dependent on scheduling and budgets for the associated operations and maintenance costs.

10 A centralized City Park and Recreation Department would be a new City department; it would require additional staff members, who could potentially leverage additional community involvement/coordination.

Identified Need	Improve Coordination, Calendaring and Communication			
	Space Dependent	New Facility	Existing Resource(s)	
Programming				
Indoor soccer (adults only)	Yes	Yes	Yes	Community Recreation
More indoor activities (e.g. laser tag, bumper cars, go cart track, child play area)	Yes	Yes	Yes (at a large scale)	At a limited scale, opportunity for future offerings by new or existing providers. Community Recreation
Winter event space and programing	Yes	Yes	Maybe (depends on specific activities)	Community Recreation, Schools, Kachemak Bay Campus, Bunnell St. Art, Homer Council on the Art Center, Islands and Ocean, Pratt Museum
More for mentally and physical disabled older people, and for seniors in general	Yes	Yes	Maybe (depends on specific activities)	Community Recreation, Independent Living Center TRAILS Program
More activities in Anchor Point ¹¹	Yes	Yes	Maybe (depends on specific activities)	Anchor Point library, senior center
Longer hours for programs or facilities (e.g. late night and/or early morning)	Yes	Yes	Maybe	Private businesses and various providers
Multi-generational activities	Yes	No	Maybe (depends on specific activities)	Community Recreation, Senior center, non-profits, library
Marine safety programing ¹²	Yes	No	No	High School (pool), Kachemak Bay Campus, boat harbor (working boats and boat yard businesses)

11 Specifically: general and summer-specific activities, swimming at the Anchor Point pond, bike route to Anchor Point, trails in Anchor Point.

12 The high school and college are already working to increase marine-industry related curricula and secure appropriate space(s).

Identified Need	Improve Coordination, Calendaring and Communication			
	Space Dependent	New Facility	Existing Resource(s)	
More activities at McNeil Canyon School	Yes	Yes	No	McNeil Canyon School
Parent-toddler classes	Yes	No	Maybe (depends on specific activities)	Community Recreation, SPROUT, Pratt Museum, Harbor School of Music and Dance, Homer Soccer Assoc., other providers
Folk school classes	Yes	No	Maybe (depends on specific activities)	North Pacific Folk School, Kachemak Bay Campus, High School classrooms
Healthy cooking classes	Yes	No	No	SVT Health and Wellness, South Peninsula Hospital, local churches
Short courses/ workshops (1 day or less) with smaller time and financial commitment	Yes	Maybe	No	Kachemak Bay Campus, various providers
Vocational-technical classes and apprenticeship programs	Yes	Maybe	Maybe ¹³	Kachemak Bay Campus, High School
Wildfoods safety class	Yes	No	No	
Zumba	Yes	No	No	Community Recreation, Bay Club, Senior Center

¹³ The college and High School work together to fulfill their space needs.

IMPLEMENTATION RESOURCES

Fulfilling priority identified needs will involve some smaller, more easily-implemented improvements (low-hanging fruit) and larger projects that require significant planning, coordination and financial investment. The Needs Assessment was also used as an opportunity to learn more about how the greater Homer community could and would be willing to support these larger recreation and culture projects in the future. The bulk of this chapter focuses on financing for larger, mostly capital projects, or ongoing coordinated service and facility provision (e.g., an area-wide Parks and Recreation department).

COMMUNITY SUPPORT

The Homer area has seen a growing interest in community parks, indoor and outdoor sports, visual and performing arts, cultural events and festivals, which are all part of the local quality of life for residents of all ages. Community organizations and municipalities face financial and space limitations to sustain programming and facilities. Maintaining and improving these resources requires funding and other forms of support.

Results from both an online (self-selected) survey and a telephone (statistically-valid) survey revealed that recreation and culture are important to the majority of area residents, and that there is community support for exploring options to fund new recreation and culture services and facilities.

Figure 21: Support for New Funding Strategies

Maintaining and/or improving recreation and culture opportunities requires funding and other forms of support. Do you support exploring new strategies to maintain and/or expand recreation and culture opportunities in the greater Homer area?

Response	Percent	Number
Yes, it is important to explore new resources and strategies	69%	604
Maybe, depends on what the options are.	21%	187
No, I think what is spent today is adequate or more than adequate.	4%	34
Not sure, need to learn more about current resources, and future options.	6%	51

Source: 2014 Recreation and Culture Needs Assessment Online Community Survey

SUPPORT FOR SPECIFIC PROJECTS

The statistically-valid telephone survey was used to better understand the level of community support for funding two projects in particular: the creation of a new multi-purpose community center that could fulfill a number of the space needs identified during the Needs Assessment, and the willingness to dedicate public funding to assist with mortgage payments on the Kevin Bell Ice Arena.

Multi-purpose community center | One proposal is to build a multi-purpose community center in Homer to provide a year-round facility for indoor activities like recreation, performing arts, community gatherings, education and specialty activities. Such a facility will cost at least 18 million dollars to build. Funding for construction would come from several sources but would certainly require area residents to contribute, on average, several hundred dollars a year per household through both user fees and increased taxes.

Figure 22: Support for City Funding New Multi-purpose Community Center

Response	Percent	Number
This is a desirable facility; it should be a priority within the next 5 years ; and I would be willing to contribute to support its development.	30.1%	78
This is a desirable facility; it should be a priority 5-10 years from now , providing time for the community to grow and increase the tax base.	26.7%	69
This facility should not be a priority , and I would not be willing to contribute any amount of additional taxes to support its development.	39.2%	101
Not sure.	3.9%	10

Source: 2014 Recreation and Culture Needs Assessment Public Opinion Survey, Ivan Moore Research. Raw survey results have been weighted according to the following: 1) Responses apportioned by zip code according to the adult population in each; 2) Marital status balanced by gender in both zip codes (i.e., the percentage of married men equals that of married women and the percentage of single men equals that of single women); 3) The age distribution is weighted to match the census distribution of head of household; 4) Cellphone-only responses were appropriately weighted against landline responses.

Kevin Bell Ice Arena | The Kevin Bell Ice Arena is well used, with programs serving 800 people each week. The loan to pay for the building is now due, requiring mortgage payments of approximately \$60,000 per year for the next 20 years. User fees can cover operations costs, but won't cover the building loan payments.

Figure 23: Support for City Funding Kevin Bell Ice Arena

Response	Percent	Number
The City of Homer should not put any funding into the building , even if this means the facility will close.	20.4%	52
The City should provide approximately \$10,000-\$15,000 per year in new funding to help cover a portion of the loan payment, and look to the Homer Hockey Association to find the remaining funding.	53.6%	136
The City should pay the full \$60,000 per year loan payment, and fund this expenditure with tax revenues.	20.1%	51
Not sure.	5.9%	15

Source: 2014 Recreation and Culture Needs Assessment Public Opinion Survey, Ivan Moore Research. Raw survey results have been weighted according to the following: 1) Responses apportioned by zip code according to the adult population in each; 2) Marital status balanced by gender in both zip codes (i.e., the percentage of married men equals that of married women and the percentage of single men equals that of single women); 3) The age distribution is weighted to match the census distribution of head of household; 4) Cellphone-only responses were appropriately weighted against landline responses.

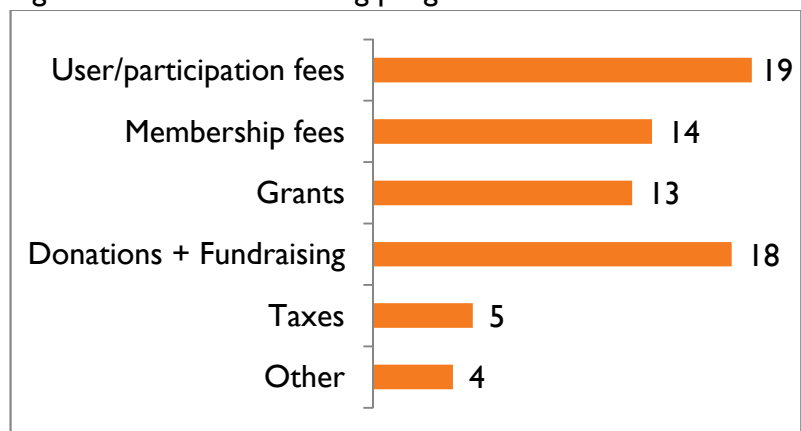
FINANCING LOCAL RECREATION AND CULTURE

A variety of financing tools could be used for large capital projects, to help support ongoing operations, and for helping to subsidize activities for those who would not otherwise have the financial means to participate. A few examples of ideas brought up during the Needs Assessment are explained in this chapter. Residents and local business owners also emphasized the importance of growing the area population and economy through new industry and job opportunities in order to build a solid base of participation and tax base for recreation and culture facilities and programs.

Existing Financial Support |

The provider survey indicated that Homer’s existing recreation and culture programming and facilities are supported by a number of sources. In general, that support is stable or growing more often than it is in decline. These findings suggest that providers are effectively managing their day-to-day operations.

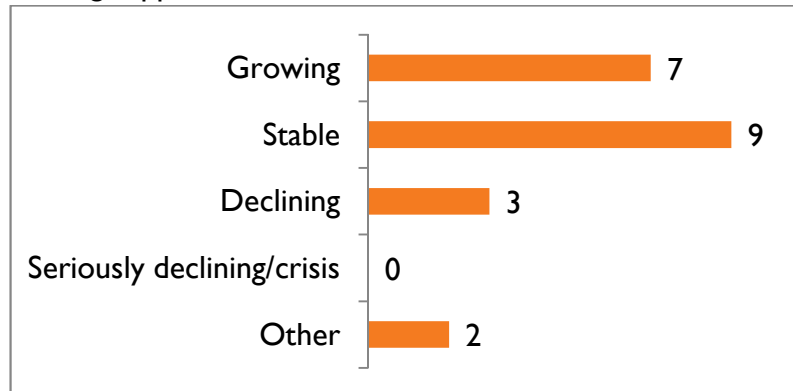
Figure 24: How are existing programs and facilities funded?



Source: 2014 Recreation and Culture Needs Assessment Provider Survey

Support for Future Funding Mechanisms | Telephone (statistically-valid) survey results indicate that area residents would prefer to see a variety of taxes used to fund new recreation and culture services funded. Only 18 percent of survey respondents indicated that they would prefer that the City not fund new recreation and culture services at all.

Figure 25: How would you characterize your current funding/support resources?



Source: 2014 Recreation and Culture Needs Assessment Provider Survey

Figure 26: Support for Specific Funding Sources

Which funding source would you most prefer to see used to fund new recreation and culture services in the Homer area?

Response	Percent	Number
Property taxes	12.2%	31
Sales tax	17.2%	44
Other taxes	18.3%	47
Reallocate existing funding from other municipal sources	25.0%	64
Don't fund new recreation and culture services at all	18.0%	46
Not sure	9.3%	24

Source: 2014 Recreation and Culture Needs Assessment Public Opinion Survey, Ivan Moore Research. Raw survey results weighted according to: 1) Responses apportioned by zip code according to the adult population in each; 2) Marital status balanced by gender in both zip codes; 3) The age distribution is weighted to match the census distribution of head of household; 4) Cellphone-only responses weighted against landline responses.

DEDICATED SERVICE AREA

One funding option used in the Kenai Peninsula Borough to pay for a desired service is the creation of a service area. Nikiski and Seldovia, for example, both have recreational service areas that pay for services provided in their communities. Residents within the service area would vote to approve property taxes to pay for recreation and culture services (i.e., facilities, programs, staff) to be provided in that area. These taxes would be collected and spent from their own separate fund. They would only be used to pay for allowable recreation and culture services or facilities provided within the service area. For instance, property taxes could be used to pay for a community center that would serve the entire service area.

Property taxes are collected in the form of a mill levy (or tax rate). The property tax amount due each year is based on adding together the mill levy for each service area in which the property lies. To calculate the property tax, the taxing authority multiplies the assessed value of the property by the mill rate and then divides by 1,000. For example, a property with an assessed value of \$50,000 located in a municipality with a mill rate of 20 mills would have a property tax bill of \$1,000 per year. If the City had a dedicated recreation and culture service area, a mill levy would be set for the service area, and would be added to any other mill levies collected by the City, then multiplied by the property’s assessed value and divided by 1,000 to arrive at the overall property tax.

Current taxes | “The property tax rate in Homer totals 11.3 mills (4.5 City of Homer, 4.5 Kenai Peninsula Borough, and 2.3 South Peninsula Hospital). This translates to a tax levy of \$1,130 for every \$100,000 in assessed valuation. However, the first \$20,000 in valuation is tax exempt for most residents who request the exemption. In addition, senior citizens (age 65 and older) benefit from an exemption on the first \$150,000 in valuation for the City of Homer portion and on the first \$300,000 in valuation for the Kenai Peninsula Borough portion. The KPB exemption applies to service area tax assessments as well; for example, the one which supports South Peninsula Hospital.” (2014 City of Homer Budget, p25)

Who pays | A dedicated service area would allow the City to collect taxes for recreation and culture services directly from property owners.

Statistically-valid telephone survey results indicate that over 55 percent of area residents would to some degree favor the creation of a service area in the Homer area to fund new recreation and culture services.

Figure 27: Support for Recreation and Culture Service Area

Response	Percent	Number
Strongly favor	27.5%	71
Mildly favor	27.8%	72
Neutral	3.7%	9
Mildly oppose	17.7%	45
Strongly oppose	18.9%	49
Not sure	4.4%	11

Source: 2014 Recreation and Culture Needs Assessment Public Opinion Survey, Ivan Moore Research. Raw survey results weighted according to: 1) Responses apportioned by zip code according to the adult population in each; 2) Marital status balanced by gender in both zip codes; 3) Age distribution matches head of household census distribution; 4) Cellphone-only responses against landline responses.

REALLOCATE EXISTING FUNDING

The City of Homer receives funding from taxes and other funding mechanisms. These revenues are allocated to the City’s the General Fund and to special funds dedicated for specific services or capital improvements (facilities). With voter approval, some of these existing funds could be appropriately reallocated specifically to fund new recreation and culture services. Statistically-valid telephone survey results indicate that 25 percent of area residents would most prefer to see new recreation and culture services in the Homer area funded through reallocation of existing funding from other municipal sources.

One example of a dedicated fund that might be reallocated (with voter approval) is known as the HART Fund. Voters within the City of Homer approved to dedicate three-quarters of one percent (or 0.0075 percent) of all sales tax for the Homer Accelerated Roads and Trails (HART) Program. The HART Program calls for 90 percent of the revenue to be allocated towards road improvements and 10 percent of the annual revenue to be spent on trails and sidewalk projects. The HART Program only pays for capital projects (facilities); the funding does not pay for ongoing operating costs, such as utilities or salaries for trail planning and maintenance staff (City residents would have to vote to allow the HART Fund pay for operating costs for any facilities).

The City uses these funds to leverage grants, to cost share with land owners on road projects, and has considered using the funds to match state road funding for local roads through legislative appropriations on City of Homer roads.

Figure 28: Current HART Fund Allocation

	<u>Roads</u> (.9 of .0075)	<u>Trails</u> (.1 of .0075)	<u>Total</u> (.0075)
2012:	\$1,045,653	\$116,184	\$1,161,837
2013:	\$1,210,734	\$134,526	\$1,345,260
2014:	\$1,115,005	\$123,889	\$1,238,894
Total 2012-2014:	\$3,371,392	\$374,599	\$3,745,991

The existing HART fund could be re-allocated so that a portion of it was also dedicated to recreation capital (facility) improvements. For example, if 67.5 percent (about two-thirds) of the .0075 percent HART Fund was allocated to roads, 7.5 percent to trails, and 25 percent to recreation, the funding distribution would look like this:

Figure 29: Hypothetical HART Fund Reallocation to Include Recreation

	<u>Roads</u> (.675 of .0075)	<u>Trails</u> (.075 of .0075)	<u>Recreation</u> (.25 of .0075)	<u>Total</u> (.0075)
2012:	\$784,240	\$87,138	\$290,459	\$1,161,837
2013:	\$908,051	\$100,895	\$336,315	\$1,345,260
2014:	\$836,253	\$92,917	\$309,724	\$1,238,894
Total 2012-2014:	\$2,528,544	\$280,949	\$936,498	\$3,745,991

These funds could be used for capital improvements only, but much of the deferred maintenance to Homer’s public parks could be quickly addressed if the City dedicated \$100,000 each year in capital funds for recreation facilities, particularly if the City followed an endowment model and awarded matching grants to community organizations to complete projects in city parks. Re-allocating the funding in this way would also require voter approval.

DEDICATED SALES TAX

The City could also establish a dedicated sales tax specifically for recreation and culture services. This tax would be collected at the point of sale on retail goods and services by the retailer and passed on to the municipality. It would be charged as a percentage of the cost of goods and services sold, e.g., 1% recreation and culture tax. This would be in addition to any other sales tax the City collects. Statistically-valid telephone survey results indicate that 17.2 percent of area residents would most prefer to see new recreation and culture services in the Homer area funded through a sales tax.

Current taxes | “The sales tax in Homer is 7.5% (4.5% City of Homer and 3% Kenai Peninsula Borough). Non-prepared foods are exempt from sales tax from September through May.” (2014 City of Homer Budget, p25)

Who pays | A dedicated sales tax would allow the City to collect revenue for recreation and culture services from Homer residents and non-residents who patronize businesses in the City of Homer. The sales tax is one of the few financing mechanisms described here that would draw funding from visitors to Homer. Though visitation numbers fluctuate from year to year, visitors to Alaska are expected to increase in 2015 because of improvements in the national economy and lower fuel prices. In the near term, Homer may see a rise in sales tax receipts from increased visitor traffic, which could be invested into recreation and culture resources that would continue to draw visitors to the area.

USER FEES

Providers of recreation and culture programs and facilities may charge fees to users, such as facility rental fees, class tuition and fees, membership fees (e.g., gym membership fees), or ticket sales to events. For facility-based events (e.g., sport stadium, theater) the organization operating the facility might also sell concessions (food, drink, other merchandise, gift shop) as a way of increasing revenue for facility operations. State and national parks may also charge fees for licensing activities like guiding, fishing and hunting; these license fees also help to manage the number of people doing a particular activity within the park during a given time period.

As one recreation and culture provider, the City of Homer could consider adjusting or instituting new user fees for recreation and culture facilities and services (e.g., higher community recreation fees for non-city residents). Other recreation and culture providers could also consider changes to their user fees to support their facilities and programs.

Current fees | There are too many recreation and culture providers in Homer to list all of the fees, but as an example, The City of Homer charges fees to individuals who sign up for community recreation programs. The fees are set for each individual class or program, and include monthly fees, punch-cards, and per-class fees.

Who pays | Users of the facility or program would pay. Fees could be tiered based on resident/non-resident status, age, income or other characteristic. The Needs Assessment revealed a desire for free or low cost programs, events, and facility access, particularly for those with low income, families (e.g., discounted family rate), and youth. Community members also suggested offering annual membership fees for facilities such as the hockey arena and the pool.

GRANTS AND LOCAL PHILANTHROPY

The Homer Foundation currently supports a number of community members, non-profits and initiatives through scholarships and small grants toward things like education, healthcare, the library, food security, animal welfare, recreation and the arts. The foundation responds to the applications that come in, so the distribution of awards changes from year to year. According to last year's annual report, approximately 42 percent of the Homer Foundation's awards went toward recreation and culture (14 percent to sports and recreation, eight percent to arts and culture, 20 percent to youth). These funds help pay for youth to participate in programs and contribute to local non-profits.

- The Homer Foundation also raised \$50,000 locally in order to leverage larger funding commitments from donors like the Rasmuson Foundation for the Homer library project. Because Homer has a relatively small base of potential funders and tax base, this model is unlikely to be duplicated anytime soon.
- The Homer Foundation could be a fiscal agent, or pass-through for grant funding toward recreation and culture programs and facilities.

The Homer Foundation is not set up to take on managing facilities or programs. However these other community foundation examples provide some inspiration for how different entities within the Homer area could work together in new ways to provide programs and facilities.

- Juneau built a field house through a community foundation, then created an oversight administrative organization to manage the facility. Homer could adopt a similar arrangement to build a new facility, with the City or a quasi-nonprofit entity to manage the facility once built.
- The Anchorage Park Foundation goes beyond funding through grants and scholarships to leverage support for parks, trails and recreation opportunities through several programs, including Challenge Grants (in which community members apply for grants from the APF to match their own fundraising efforts for park and trail improvement projects), Youth Employment in Parks (in which teens are hired to complete park improvement projects, including trail building, forestry, waterway restoration, and urban park improvements) and neighborhood park fix-its (in which the APF selects park improvement projects based on community input and coordinates community volunteers to carry them out). Other organizations in Homer could consider similar programs to sustain and maintain facilities.

Through the Needs Assessment outreach process, community members identified other related ideas, such as collaboration among providers to apply for grants, helping people find volunteer opportunities, and monthly fundraisers to benefit folks who want to participate, but can't necessarily afford it. The senior focus group referenced a program a real estate agent ran, which gave new property owners a free one-year membership to a community organization in Homer. The program was paid for through the property sale commission. Reviving this program could be a way to invite new residents into the community and establish a pattern of supporting recreation and arts organizations through private giving.

PUBLIC PRIVATE PARTNERSHIPS

Homer could also engage in public-private partnerships to provide desired recreation and culture facilities and programs. For example, a community recreation center could be planned to be linked to a hotel that could subsidize the recreation center costs and attract more non-resident users able and willing to pay a user fee for the facility. In Anchorage, the Dimond Center followed a similar model, building a hotel into a shopping mall plan. In Togiak, a Family Resource Center included a few rooms of lodging that provide an operating subsidy that, along with other sources of building revenue (e.g., rents from non-profit service providers), more than covers the building's operating costs (which include staffing).

NEW PATHWAYS

Rasmuson Foundation, EmcArts, the Foraker Group, and the Alaska State Council on the Arts offer a program for and with Alaska's arts and cultural organizations, called New Pathways Alaska. The

program is designed to help participant organizations better sustain themselves organizationally and financially through workshops and participant forums, coaching, project facilitation, capital grants and online learning tools.

APPENDIX A. EXISTING RESOURCES INVENTORY

INDOOR FACILITIES

Large Indoor Multi-Purpose

Anchor Point Gym
McNeil Canyon School Multi-Purpose Room
HERC Building
Homer High School Gym
Homer Middle School Gym
Paul Banks Elementary School Gym
West Homer Elementary School Gym

Performance/Presentation

Islands and Ocean Theater (120-Person Capacity)
Mariner Theater at Homer High (499-Person Capacity)
Pier One Theater (100-Person Capacity)
Homer Council on The Arts (70-Person Capacity)
Homer Theater (220-Person Capacity)
Pratt Museum and Amphitheater

Small Indoor Recreation

Art Barn
Bay Club
HERC Building
Many Rivers
Private Dance Studio(s)

Flexible Spaces (Meeting, Classroom, Event, Office)

Bayview And Pioneer Halls (Kachemak Bay Campus, 100-Person Capacity, Each)
Bunnell Street Gallery
Churches
City Hall
Elementary, Middle, High School Classrooms
HERC Building, Classrooms
Homer Council on the Arts, Gallery and Back Room
Kachemak Bay Campus, Commons and Additional Classrooms
Kachemak Bay Equestrian Association Cabins (20)
Kachemak Community Center
Kachemak Ski Club Lodge
Library
Pratt Museum

Specialized Spaces

Art classrooms (Homer High School, Paul Banks Elementary School, West Homer Elementary School, Homer Middle School)
Art studio (Kachemak Bay Campus)
Auto shop (Homer High School)
Computer Room (Kachemak Bay Campus)
Gymnastics Room (Homer High School)
Kevin Bell Hockey Arena
Kitchen (HERC building)
Individual Art or Music Studios (Homer High)

Pools (Homer High School, Bay Club)
Pottery Room (Homer High School)
Practice Rooms (Homer High)
Racquetball Court (Bay Club)
Weight Room (Homer High School, Bay Club)
Wrestling Room (Homer High School)
Welding Shop (Homer High School)
Wood Working Shop (Homer High School)

Youth Oriented Indoor Spaces

Schools
Rec Room

Senior Oriented Indoor Spaces

Homer Senior Center

OUTDOOR FACILITIES

KPB School District

Artificial Turf (Homer High School)
Tennis Courts (4, Homer High School)

City of Homer

Campgrounds (4)
Trails (5.41 miles on 6 trails)
Other area trails (3)

17 dedicated parks and 7 park areas for recreational purposes:

Baycrest	Jeffrey
Bayview	Karen Hornaday
Ben Walters	Louie's Lagoon
Bishops Beach	Mariner Park
Coal Point	Skatepark
Diamond Creek Recreation Area	Triangle
End of the Road	W.R. Bell
Fishing Lagoon	WKFL
Jack Gist	Woodside

Other

Cottonwood Horse Park (Kachemak Bay Equestrian Association)
Disc Golf Course
Fields: Softball, baseball, football, soccer
Kachemak City Picnic Shelter and Park
Outdoor Basketball Court (HERC, schools)
Rope Tow (Homer Ski Club)
Street Art
Pratt Museum 10 acres outdoor space
Tennis Courts (2, Kachemak City)
Trails: mountain bike, cross country, multiuse

EXAMPLES OF ACTIVITIES, EVENTS, PROGRAMING (SUBJECT TO CHANGE)

Event/Festival

Burning Basket
Farmer's Market
Homer Epic 100
Homer Gardener's Weekend
Homer Highland Games
Homer Jackpot Halibut Derby
Homer Yacht Club Races
Hunter Safety
Kachemak Bay Shorebird Festival
Kachemak Bay Wooden Boat Festival
Kenai Pen. Orchestra Summer Music Festival

Nutcracker
Safe Kids Fair/Bike Rodeo
Ski Swap
Seldovia Summer Solstice Music Festival
Spit Run
Tamamta Katurlluta: A Gathering of Native Tradition
Telluride Film Fest
Winter Bike Fest
Wrestling Tournament
Writer Conference

Formal programs (youth, adult, mixed age)

Adult Performing Arts Show
Art Shop
Artquest
Ballroom Dance
Basketball (General, Bruin, Youth, Girls', Pick Up)
Bellydance
Blues In The Schools
Climbing
Creative Communities and Cart
Dodgeball
Fencing
Hunter Education
Jubilee
Lost Wax Casting
Karate (Youth, Adult)
Kayaking (Youth)
Musical Theatre
Nature Art Summer Workshop (Youth)
Pickleball

Pilates
Ping Pong
Play Group
Pratt Play Dates
Refurbish Class
Silversmith
Soccer (General, Youth, Indoor Adult)
Spanish
Summer Music Camps
Summer Circus Arts Camp
Tai Chi
Tango Dance
Theatre Shakes
Tumbling & Gymnastics
Volleyball
Weight Training
Wrestling (Popeye, Youth)
Zumba
Online Classes (Various)

Users Groups/Activities

Alaska Training Room
Backcountry Skiing
Bird Monitoring
Baseball
Beach Walking, Bonfires
Birding
Boat Building
Boating, Recreational
Bowling
Boy Scouts
Camping
Card and Board Games
Community Dancing and Drumming
Community Fundraising
Contra Dancing
Cooking
Cross Country Skiing
Dog Mushing
Downhill Skiing
Disc Sports
Dog Training
Exhibits and Art Shows
Festival Attendance
Fiber Arts
Figure Skating
Fish Feeding
Fishing (Subsistence, Recreational)
Football
Four Wheeling
Frisbee Disc Golf
Functional Arts
Gardening
Geocaching
Go Carts
Ham Radio Club
Hiking
Hockey
Indoor Climbing
Indoor Soccer
Indoor Walking
Kayaking
Lacrosse
Legos
Lifelong Learning
Literary Arts
Martial Arts
Motorcycle Riding
Movies
Museum
Music Production
Native Arts and Crafts
Open Gym
Outdoor Education
Outdoor Ice Skating, Hockey
Parkour
PE Class
Performing Arts, Attendance
Photography
Picknicking
Playground
Pony Club
Public Art
Racquetball
Recreational Hunting
Remote control cars/airplanes
Running
Shooting
Skateboarding
Slacklining
Sledding
Snowboarding
Snowshoeing
Softball
Strong Homer Women
Surfing
Swimming
Tree Climbing
Video Games
Video Streaming
Visual Arts
Wake Boarding
Watch Wildlife
Water Aerobics
Weaving
Welding
Wildfood Harvesting
Wood Carving
Writing
Youth Group Worship

MANAGEMENT AND COMMUNICATION

Coordinators

City of Homer Community Recreation
Homer Arts and Culture Alliance
Homer Chamber of Commerce
Homer Council on the Arts, Artist Registry
Kenai Peninsula School District
MaPP of the Southern Kenai Peninsula

Community Calendars

City of Homer
Homer News
Homer Council on the Arts website, arts calendar and e-news and artist registry
Homer Public Radio AM 890
Individual arts, recreation, civic organizations
KBBI calendar
Pop411.org

APPENDIX B: IDENTIFIED NEEDS

PRIORITY IDENTIFIED NEEDS

INDOOR FACILITIES

Multi-purpose community center | A multi-purpose community center facility was the most frequently identified need across providers, user groups, existing plans and the general public. The current demand for multi-purpose space for activities like soccer, basketball, pickleball and wrestling make community access to a large gym a very high priority. The uncertain future of the HERC building leaves users worried that if it closes, many activities will be left without a space. Providers and the business community expressed the desire to generate new economic development opportunities through a community center that could also serve as a convention center or attract visitors to attend sports and other events. The City commissioned a convention center feasibility study in 2005, which concluded that (at the time) Homer possessed a number of facilities that could host various events, but that a number of issues constrained their ability to effectively accommodate traditional meetings and conferences, and that a more traditional convention center would likely be utilized comparable to similar facilities in Sitka, Ketchikan and Valdez. The facility could possibly contain these auxiliary spaces: performance or theater space, including a backstage rehearsal space, weight room, studio space for art, music, woodworking, etc., and incubator or headquarter space for various recreation and culture program providers. A multi-purpose community center in a central downtown location could also respond to community desire to create a town center.

Indoor walking track | Walking is one of the most outdoor activities, and most desired indoor and outdoor activities. Indoor walking serves all ages, and in particular, seniors who desire an ice free location for exercise in the winter. Schools offer uninterrupted, flat surfaces for walking. However, access to schools is limited during school hours. The Kevin Bell Arena might have a large enough space for a seasonal walking loop. A calendar that identifies locations and times for walking indoors could help leverage existing resources to meet this need.

Kevin Bell Hockey Arena | There is an acute need to address the financial future of the Kevin Bell Hockey Arena. While the City is not responsible for this project directly, thousands of people use the facility, and it provides a public recreational benefit. The location makes it less appealing as a location for uses that would drive economic development in a more central location, such as a convention center. But there may be opportunities for the arena to host some identified needs, such as an indoor walking area.

Toddler and family spaces | There is anecdotal evidence of growth in the number of young families in Homer. The Needs Assessment findings reveal significant demand for play spaces and programs for young families. Ideally, a children's play space is easily accessible and integrated with

parent routines. Existing providers, such as the Senior Center, Kachemak Bay Campus, Library, Islands and Ocean, Homer Council on the Arts, Pratt Museum, Schools, may have spaces that could be creatively reinterpreted as a mixed-age learning and play experience.¹⁴

Teen space while school is out of session | Teenagers often do not have their own transportation and are limited to accessing recreation and culture resources outside of school. Creating an interesting, safe place for teens to linger between town outings is beneficial for teens, parents, and community members. There may be opportunities for flexible and underused spaces to be adapted for this use.

Centralized music studio | The Needs Assessment revealed a desire for co-location of music instruction, practice studio space, recording studio and related programing. Many people, especially teens, identified a recording studio as one component of a needed community music space. This space could meet at least some of the need for teen space outside of school and provide the mentors and mixed-age interaction that the community desires. The provider questionnaire indicated that a local business may expand to meet some or all of this identified need.

Art workshop or studio space | Providers and users expressed interest for more art classrooms and studios for individuals and to offer classes for youth and children. Art classrooms currently exist in the schools and at Kachemak Bay College, although scheduling constraints may prevent them from meeting this identified need. The Kachemak Wholesale Building was also identified as a potential space for art classrooms.

Performance space with capacity for 200-300 people | This need could be met in a number of ways, such as a simple “black box” theater for 250 people with wings, theater lighting, a backstage rehearsal area, and bathrooms. Spaces exist in Homer that could somewhat meet this identified need, but they lack some of the specific amenities or access needs that potential users desire. For example, the Mariner Theater is too large for most events, Pier One is used seasonally in summer only, the Homer Theater has film programing during evening hours, private restaurants or bars may not be family-friendly, and although the Homer Council on the Arts has a portable stage, it has none of the audience and backstage amenities. There may be existing spaces in the area that could be improved or retrofitted to accommodate the desired performance space, or it could be designed as part of a new facility.

Affordable weight room | Ready access to a low-cost weight room was a frequently identified need. The Homer Community Recreation program offers limited access to weightlifting facilities at the Homer High School for a relatively low fee, but the hours are limited by the school’s scheduling constraints. The Bay Club currently offers weightlifting facilities for a monthly membership fee,

¹⁴ The Imaginarium at Anchorage Museum is one model for mixed-age learning and play experience.

which may be higher than some community members are able or willing to pay. Private business owners have opened lower-cost fitness facilities in the past, and may be able to do so in the future.

Martial arts gymnasium/practice space | Martial arts are enjoyed by multiple ages and have sustained steady participation as after-school programming, so would fulfill some of the identified broad programming needs. A martial arts practice space could also be used by Popeye Wrestling to host out of town teams. This identified need may also be met through private business: a martial arts program for youth has been privately operated out of the Kachemak Wholesale building.

Courts for racket sport | Racket sports, including tennis, pickleball and other sports, are popular activities for many area residents. The HERC building and Bay Club currently offer the only indoor facilities for racket sports, and Homer also has a number of outdoor tennis courts at the high school. Additional indoor and/or outdoor facilities could be included in plans for new recreational facilities. There may also be plans to complete construction of additional courts from the past.

OUTDOOR FACILITIES

Upgrade softball fields | This identified need reflects a desire to complete improvements to existing facilities. The costs to improve and maintain the softball fields would be somewhat balanced by the benefits of additional games and events that would bring out-of-town visitors to Homer.

Car free ice skating at Beluga Lake | Outdoor ice skating is a low-cost, health-promoting community activity that was identified in the survey several times. Creating a designated skating area at Beluga Lake would be primarily a policy change that would require some enforcement but few capital costs.

Outdoor amphitheater | This identified need could reflect a lack of communication about existing resources. Outdoor amphitheaters currently exist at the Pratt Museum, the Homer Library, and Islands and Ocean Center; similar facilities exist at the Homer Farmer's Market and Karen Hornaday park.

Multi-use trails | Trails were frequently identified as recreation needs, and reflected the popularity of outdoor trail-based activities as well as the desire for more pedestrian and non-motorized transportation routes in order to attend recreation and culture events and programs. The community online survey results indicated that walking, bicycling and cross country skiing were among the most popular outdoor activities in Homer: 71 percent of survey respondents indicated that they walk for recreational purposes, 56 percent ride a bicycle and 46 percent cross country ski. Biking, walking and cross country skiing were also among the most-frequently identified activities that survey respondents wanted to do more often. Related identified needs include: the desire for shared multi-use trailheads, streamlined trail easements and acquisition, and single track trails on Diamond Ridge (which could also serve as an economic driver given the growth of bike-packing and snow biking in recent years). Because trails are addressed specifically in the Homer Non-Motorized Transportation

Plan, the Recreation and Culture Needs Assessment focuses on other types of recreation and culture facilities.

ACTIVITIES, EVENTS, PROGRAMING

The specific programs offered in Homer will fluctuate with need and popularity. Decisions about which programs to offer will balance a number of different factors: the desire for new programs, to expand already popular activities, possibly discontinue programs that are challenged to bring in enough participants to sustain themselves, availability of appropriate space, and availability of appropriate staff (teachers, coaches, administrators, etc.), among others. The identified needs included a variety of desired programing, some of which is already provided in Homer. Existing providers could better meet some of these needs by improving their coordination and information sharing efforts, discussed in the following section.

MANAGEMENT AND COMMUNICATION

Improved community calendar and information sharing | The Needs Assessment revealed that community members do not always know which activities and events are available to them, or that there is too much going on and overlapping events lower participation from what it would otherwise be. A centralized community calendar would help users, providers and visitors better coordinate existing recreation and culture programing. Potential visitors could also use a centralized calendar to plan visits to Homer around recreation and culture activities. MAPP is already working on a centralized calendar that could be used for this purpose, and the Homer Tribune maintains a community calendar. Community members also suggested a weekly subscription-based email that would advertise local programming.

A mobile phone application could also solve the need for “one stop” access to information about recreation and culture resources. An app could provide different levels of access for providers and users, including a calendar to promote better scheduling and learn about existing activities. There could be a social media component to facilitate space sharing. The app could also be integrated with a visitor website and be used to help orient visitors to resources in and around Homer. The app could be financed through advertising or user/subscription fees.¹⁵

Transportation improvements | Additional options for non-motorized, public or shared transportation would increase access to existing facilities and resources, particularly for those who do not drive. This identified need could be met through a local bus system, expanding the taxi voucher program, an improved in-town ride share.

¹⁵ A number of other cities in the U.S. and Canada have created similar apps:
<http://www.activenetwork.com/blog/city-and-recreation-mobile-apps/>

Continued coordination and access to school district resources | Area schools can provide a popular and relatively low-cost location for community programs and activities, particularly the Homer High School. The high school is a well-loved community resource that was built and bonded with the intention of serving as a community school. It is possible that the High School has reached its use capacity, especially for spaces such as the gymnasium, weight room, art studios and performing arts rehearsal spaces. All facilities must be closed for maintenance periodically, and the more often the facilities are used, the more maintenance they require, which drives up the facility operating costs. The Needs Assessment identified continued interest in the Homer High School, Anchor Point and McNeil Canyon schools as venues for community programming. To the extent that scheduling conflicts, cost or liability concerns prevent these schools from being used for community events, alternatives will have to be considered.

Centralized system for booking facilities | Spaces for different events and programs are offered by a variety of public and private providers in the Homer area. A centralized booking system could connect recreation and culture providers with rentable spaces, helping to reduce the number of under-used spaces and relieve pressure on popular facilities.

Consolidated PARC leadership | Providers and community members expressed a desire to reduce the number of volunteer boards, consolidate and coordinate among existing providers to offer more programming with less administration (e.g., calendaring, networking, partnerships on projects, joint fundraising or grant applications, reciprocal membership agreements). Some form of consolidated or more coordinated leadership would allow providers to avoid duplication among organizations, share administrative staff, and better leverage existing resources. Community members stressed the importance of having a coalition effort for any large new facility project. Meeting this identified need could take several different forms, such as:

- The Recreation and Culture Committee that formed to guide this Needs Assessment could be formalized and continue to work closely with the City to manage recreation and culture resources.
- A more centralized City Parks and Recreation Department could work with other provider organizations to support coordination efforts.
- MAPP's existing efforts to coordinate among various community service organizations could be expanded to act as a hub for recreation and culture organizations.
- An umbrella organization could be designated or created to stabilize some of the smaller non-profit initiatives, acting as a fiscal agent and charging an indirect rate in exchange for a package of support mechanisms, including space and administrative support.

Centralized City Parks and Recreation Department | Recreation management at the City of Homer is dispersed across two departments in three physical locations. A centralized department could facilitate partnerships with other providers for obtaining funding, constructing new facilities or upgrading existing facilities, and providing services.

More PARC employees | Existing City of Homer recreation staff are currently at capacity. With additional staff, the City could potentially leverage increased community involvement toward providing services and completing park improvement projects. Provider organizations also identified a desire to share the costs of employing grantwriters to help them access new sources of funding.

THE POTENTIAL OF A MULTI-PURPOSE COMMUNITY CENTER

Many of the recreation and cultural needs identified as part of this process could be met through existing resources or in a single multi-purpose center. Figure 26 indicates identified needs that could most likely benefit from co-location in a multi-purpose center, though not all of these uses are expected to be accommodated by a single new facility.

Figure 30: Identified needs that could be met by a multi-purpose community center

Table Key		
●	Indicates primary tier priority identified need	
◆	Indicates secondary tier priority identified need	
□	Indicates non-priority identified need	

Priority Level	Identified Need	Notes
Possible primary uses in new multi-purpose facility		
●	Multi-purpose gym	
●	Convention center	
●	200-250 person theater	Integrated with main multi-purpose space, with auxiliary multi-purpose space for use as backstage/green room or additional black box
	Town center/square plaza	
	Multi-generational activities	
	Winter event space and programming	
	More indoor activities (e.g. laser tag, bumper cars, go cart track, child play area)	
	Longer hours for programs or facilities (e.g. late night and/or early morning)	
	More for mentally and physical disabled older people, and for seniors in general	
	Parent-toddler classes	
	Indoor soccer (adults only)	
Possible secondary uses in new multi-purpose facility		
◆	Martial arts gym/wrestling/mat room	Auxiliary space (could also be used as “green room” or backstage area)
●	Children’s art space; toddler/family/pre-school space, indoor play structure	
●	Space and programming for children and teens when school is not in session (e.g. Boys and Girls Club)	
◆	Music/recording studio	

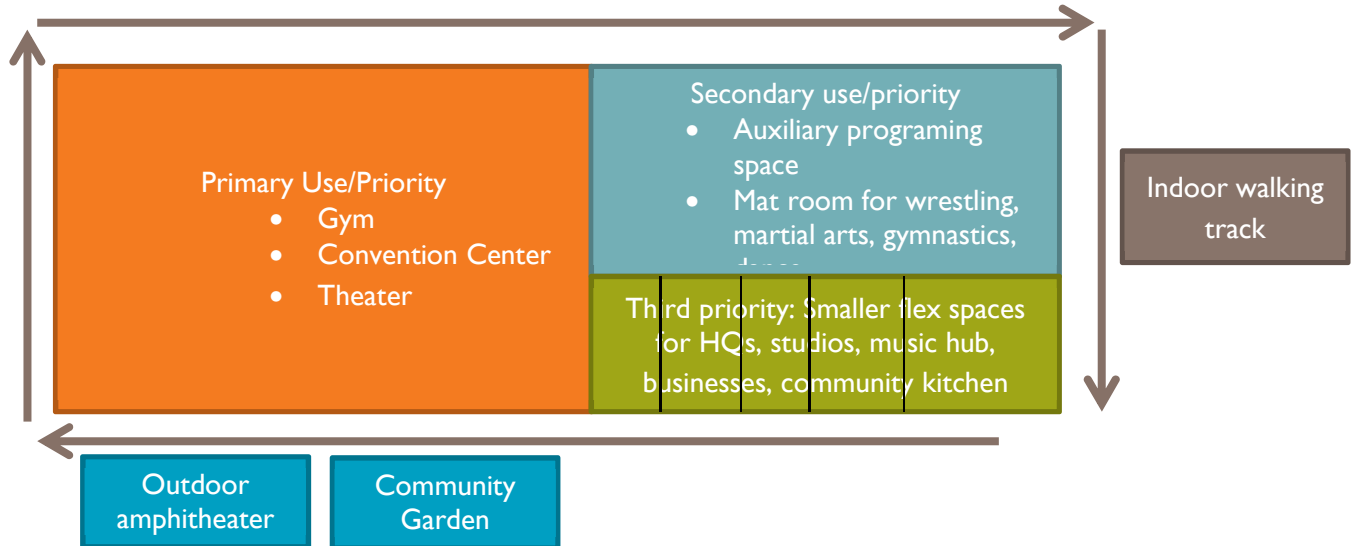
Priority Level	Identified Need	Notes
♦	Private music and art studios	
♦	Space and/or programs for music (e.g. open jam, mentoring/volunteer taught lessons, community band, practice spaces)	
	Dance hall with wooden floor	
Possible tertiary uses in new multi-purpose facility		
●	Multi-purpose community art space and more art classroom space (e.g., wood shop, kiln, press, darkroom)	
♦	Affordable weight room	
●	Indoor walking facility/track	
♦	Outdoor amphitheater	If part of a town plaza
	Community kitchen	
	Indoor climbing facility	
	Maker space	
	Incubator space for recreation and culture providers and/or small businesses	
	Community garden	
	Healthy cooking classes	
	Short courses/workshops	

The center could be designed to fulfill the need for additional gymnasium space, a performance venue, and smaller flexible spaces that could meet the needs for a variety of specific programming needs like music recording, art studios and/or PARC headquarters and businesses. A smaller auxiliary space could serve as a mat room for wrestling, martial arts, and yoga, with a removable floor and a “back stage” to the main space for performances.



These images illustrate examples of multi-purpose gymnasium and performance spaces. The image on the far left seats 300 people; the image on the far right seats 100 people.

An indoor walking track could be included in the design of the main gymnasium space or around the entire building envelope. Outdoor projects, such as an outdoor amphitheater and additional community gardens could also be integrated into the design. The following diagram illustrates how spaces can be combined in a multi-use facility to meet several needs at once.



NON-PRIORITY IDENTIFIED NEEDS

Multi-purpose Indoor

Basketball court
 Dance hall with wooden floor
 Provide gym in Anchor Point

Specialized Indoor

Arcade
 Community bike shop
 Community kitchen
 Community wood working shop
 Curling
 Futsal court (indoor soccer)
 Indoor climbing facility
 Indoor skate park
 Maker space
 Robotics/auto shop
 Water park

Central space/ headquarters (Indoor)

Circumpolar educational center with sailing classes
 Folk School headquarters
 HQ for recreation and culture provider organizations
 Incubator space for new businesses
 Wooden Boat Society headquarters (library and meeting space, shop, boat and equipment storage)

Outdoor

Paintball/airsoft course
Another disc golf course at Hornaday Park or Bishop's Beach
Buy land for parks (e.g. at the bottom of West Hill)
Community garden (greenhouse, high tunnels, rented to people for growing their own food)
Covered Park and Ride for bikes
Covered, unheated shelter near athletic fields
Flag football
More sports fields
Motocross track
Playground on the spit
Public outdoor swimming (e.g. an Anchor Point pond, Lampert Lake)
RC flying field/track
Shooting range
Sledding hill
ATV programs or facilities
Helicopter access to backcountry (e.g., for heli-skiing)
Improve the boat ramp ("speed divots" between every concrete log)
Jet skiing programs or facilities
Expand outdoor activities/facilities across the bay
Warming hut on spit (*There is a plan and seed money in place for this project as of 2015. No action required from City.*)

Trails

Develop a non-motorized path/trail adjacent to Kachemak Drive connecting the Homer Spit Trail to the EER pathway.
Light ski trails at McNeil
Mountain bike single track trails (Diamond Ridge)
More multi-use access at Ohlson Mt Road

Programming

3-D Printer	Lacrosse
Classes for adults	Mini golf
Affordable art classes	Rentals on the spit (kayaks, boats)
Basket weaving	Sailing
Boxing	Childcare while adult recreation activities are happening
Circus arts	Community stitching/knitting
Dodgeball	Tennis lessons
Field Hockey	Tournaments (e.g. pickle ball, tennis, ping pong, martial arts)
Film school	Video gaming club
Food preservation	Weaving
Game library	Wildflower identification
Golf lessons	Ski loan program
Indoor shooting	
Industrial art classes	
Jewelry class	

Coordination and Information

Consolidated advertising
Cultivate recreation and culture leadership
More volunteer and service organization coordination (e.g., adopt a park)
Bathrooms at the base of the spit

APPENDIX C: COMMUNITY OUTREACH

COMMUNITY OUTREACH PROCESS

The Homer Recreation and Culture Needs Assessment is a thoughtful look forward over the next 10 to 15 years to understand the big picture of our existing recreation and culture activities and resources, what is missing, and which changes the community would like to see. For this endeavor to be meaningful, it was important that the variety of activities and viewpoints of the greater community were included. Outreach to providers, users, the general public and other stakeholders informed much of the study, and with key informant interviews, focus groups, a community workshop, several planning documents, and almost 1,000 survey responses, there was no shortage of information. The City of Homer oversaw the process, with staff support and project management provided by Walt Wrede and Julie Engebretsen, and guidance from the Parks, Art, Recreation and Culture (PARC) Advisory Committee. The involved three target populations: recreation and culture providers, recreation and culture users, and the general public. The Needs Assessment included a special focus to reach out to young people and seniors in the study area. The outreach activities described below were used to understand the particular needs and potential resources of these target populations.

RECREATION AND CULTURE ADVISORY COMMITTEE

The Recreation and Culture Advisory Committee included: Gail Edgerly (Homer Council on the Arts, HCOA), Matt Steffy (Parks and Recreation Commission), Jan Rumble (Kevin Bell Arena/Homer Hockey), Megan Murphy (MAPP of the Southern Kenai Peninsula), Kate Crowley (ReCreate Rec), Asia Freeman (Bunnell Arts Center), Mike Illg (City of Homer Community Recreation Coordinator), Corbin Arno (Homer Voice for Business, Motorized Sports), Karin Marks (Art Shop Gallery, Homer Voice for Business, volunteer), and Kelly Cooper (Kenai Peninsula Borough Assembly, Homer Voice for Business, volunteer).

The Recreation and Culture Advisory Committee provided context for overarching issues to be addressed through the Needs Assessment process, as well as guidance for how the Needs Assessment can be a useful tool to meet the goals of the City, Homer community and recreation and culture providers. The group also guided the statistically valid survey, informed the gap analysis of identified needs, and helped to identify initial funding and implementation strategies for meeting priority needs.

ONLINE COMMUNITY SURVEY

For this Needs Assessment, an online community survey gathered the input of 989 respondents, representing approximately 1,700 people.¹⁶ The City publicized the survey in newspapers and community events. The Recreation and Culture Committee also facilitated the online community survey at Homer Middle School and Homer High School during Physical Education classes to better understand the youth perspective on Homer’s recreation and culture needs.

PROVIDER QUESTIONNAIRE

Twenty one recreation and culture providers filled out an online questionnaire to inform how they use volunteers and paid staff, what they anticipated their needs to be and identify potential resources they could contribute toward meeting community recreation and culture needs. The survey also helped to understand the potential secondary economic impacts of recreation and culture in Homer. Providers included: City of Homer Community Recreation, Bruins Basketball, Homer Council on the Arts, Homer Softball Association, Kachemak Bay Wooden Boat Society, Lindianne's Music Garden, Homer Little League, Kachemak Ski Club, Soccer Association of Homer, Kachemak Bay Campus, Kachemak Swim Club, North Pacific Folk School, Popeye Wrestling, Homer Cycling Club, Homer Hockey Association, Many Rivers Yoga (with Healing Transformations, The Floating Leaf Sangha, Homer Center for Spiritual Living, and The Artful Eddy), Kachemak Bay Equestrian Association, Bunnell Street Arts Center, Pratt Museum, Snomads Inc., and City of Homer Parks Maintenance.

Figure 31: Where do you live?

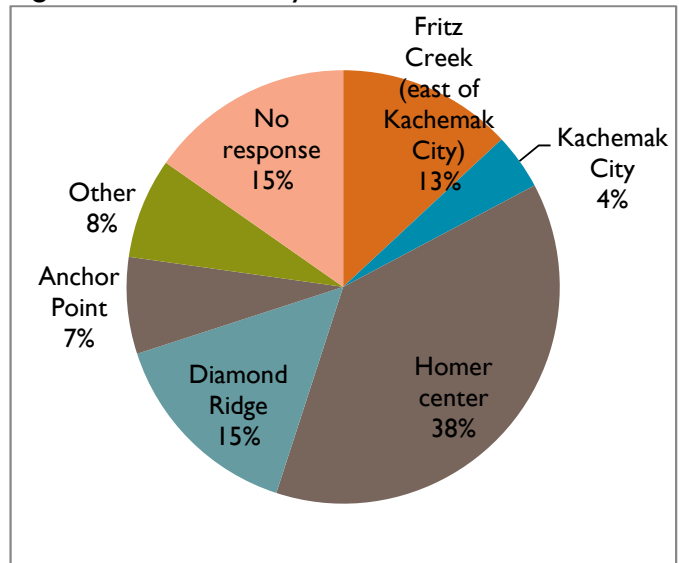
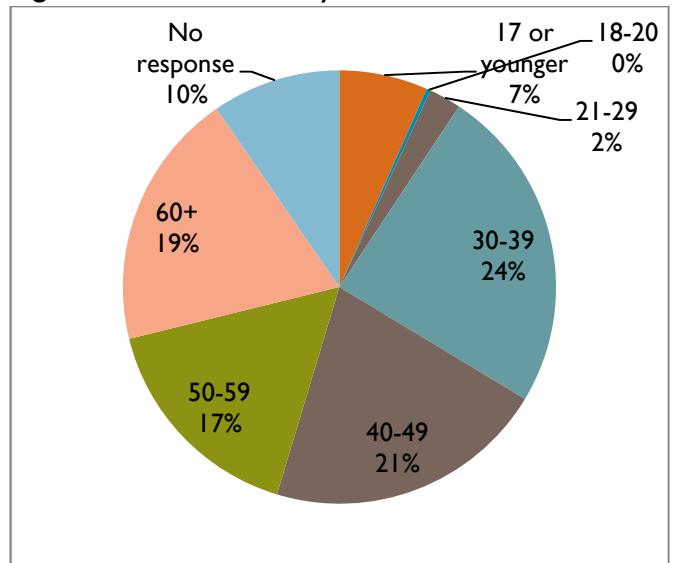


Figure 32: How old are you?



Source: 2014 Recreation and Culture Needs Assessment Online Community Survey

¹⁶ Respondents were able to respond for themselves or household, and then indicate their household size.

NOVEMBER 12-14, 2014 SITE VISIT

Ski Swap Outreach | 6-8 p.m., Wednesday, November 12, 2014. This activity allowed the project team to connect with recreation and culture users who might not otherwise come to a public meeting or fill out survey. A poster display shared the results of the Needs Assessment to date, including a list of identified needs categorized by facility, program or management strategy. Participants were invited to indicate whether identified needs were best met using existing resources or whether a new facility was truly needed. Participants commonly noted the need for a new affordable gym space, more opportunities for toddlers and parents to recreate together, and transportation improvements. Participants also indicated the desire to improve the coordination of existing organizational structures, such as calendars, funding opportunities and nonprofit boards to improve access and availability of recreation and culture resources.

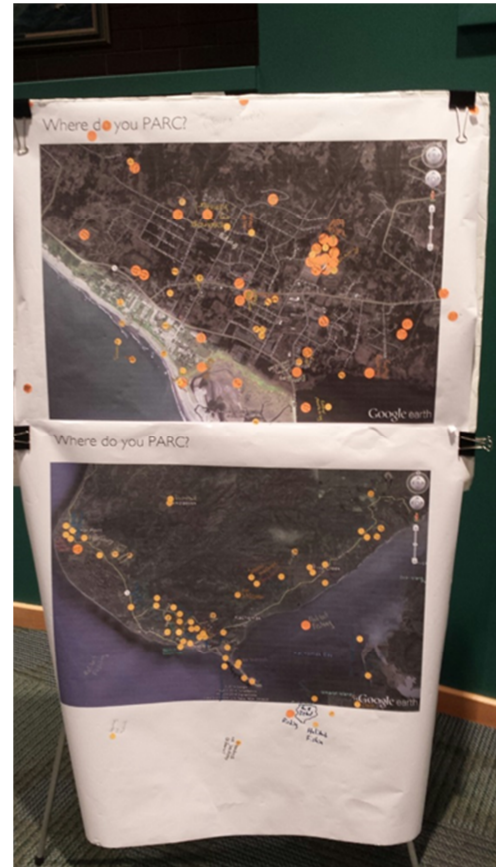
Business Community Focus Group | 12-1 p.m. Thursday, November 13, 2014. The Business Focus Group discussed a number of strategies for recreation and culture resources:

- Improve information sharing: include education; consolidate advertising and communication tools.
- For both organizations and businesses: cultivate leadership; coordinate among silos; identify who has responsibility for implementing projects (building new or improving existing facilities, starting new or changing existing programs, etc.).
- For facilities: make better use of existing facilities if possible; for proposed new facilities, assess the financial feasibility of projects and ensure there is the means to cover costs.

The group emphasized that these strategies all work toward the goal of strengthening the local economy and growing the population, particularly younger people and families.

High School Focus Groups | 1-4pm Thursday, November 14. The Planning Team conducted two focus groups. The first group was with the Homer High Symphonic Band. About 40 students worked together to create a list of their top recreation and culture activities

Figure 33: Where do Homer High students participate in recreation and culture activities?



(playing music, drawing and sketching, playing video games, creative writing and poetry, skiing, hiking, walking the dog) and map where they do them. Then the students worked together to answer three questions: What do we need or want more of? What are barriers to meeting those needs? What are possible solutions to overcome the barriers? After presenting and discussing their work, the students asked the facilitators to describe how arts and recreation are currently funded. Recreation and Culture Committee members Mike Illg and Asia Freeman reviewed the funding mechanisms for the organizations they represented. The second focus group helped to review the previous group's list of identified needs and synthesize the findings into three highest-priority needs, which included:

- 1) A multi-use, mixed-age space including the following amenities:
 - Publicly-accessible music recording studio
 - Practice rooms
 - Games/game library
 - Pottery
 - 3-D printer
 - Maker space
- 2) A performance space, for activities like Color of Homer
- 3) Maintaining the trails

Teens listed transportation, time, money and weather as barriers to participation. They indicated that a multi-use space would provide a place to be if they did not want to go in and out of town. The taxi voucher program was offered as a model for solving the transportation barrier.

Community Workshop | 5:30-8:15.p.m, Thursday, November 14. Around 40 people, five Parks and Recreation Commissioners and five Recreation and Culture Committee members attended the workshop. The workshop began with an open house where people could review research and work to date. The planning team presented the results of the demographic and survey analyses with small group breakout to discuss guiding questions. Discussion focused on identifying high priority projects and the characteristics that they would need to move forward. Participants also expressed a desire to focus recreation and culture resources around a walkable downtown and to pursue sport and tourism events. The idea of a town center or plaza anchored by multi-purpose recreation and culture space or convention center emerged as a popular desire. Participants also discussed implementation strategies such as public-private partnerships and coordinating with a private foundation to help leverage funding and volunteer efforts to develop a new multi-purpose facility. Other identified needs highlighted in workshop discussions included:

- A Medium-sized theater for 250 people with wings, black box, lighting, bathrooms, heat, beer and alcohol permits, accessible, maintained
- In and outdoor racket sports

- Maker space; communal art studio space for 15- 20 studios
- A dance hall with a wooden floor
- A community kitchen
- A meeting room list
- A centralized calendar
- Area for walking indoors
- A couple more recreation and culture employees (city)
- Non-motorized routes for walking and skiing through town, sidewalks to public buildings; trail network that isn't tied to the road system
- Bathrooms at the base of the spit

Community Workshop



Senior Focus Group | 10-11 a.m. Friday, November 15. Seniors are a diverse group, including people who have raised families and now are aging in Homer, retirees from other parts of the state, and less able individuals and their caregivers who use services like the Friendship Center adult day program and assisted living. The focus group attendees all agreed that the growing population of this diverse group will have an impact on the Homer community in the coming years.

The focus group highlighted the importance of a centralized calendar to share activities with new retirees to town. The multitude of events each weekend is a draw for retirees. One person said she could easily come up with 12 people who were visitors in town for pickleball alone. The group referenced a program a real estate agent ran that gave new property owners a free one-year membership to a community organization in Homer (paid for through the property sale commission). Reviving this program could be a way to invite new residents into the community and establish a pattern of supporting recreation and arts organizations through private giving. There was also discussion of the senior tax exemption. Both seniors and non-seniors expressed discomfort that because of the exemption, some seniors are not contributing as much as they would like to city and borough services.

The senior focus group also liked the idea of an intergenerational space with mixed programming, and remarked on the popularity of the paved multi-use trails for walking. They noted that people become tired of “fighting the snow” in winter, though the City has been good about keeping the trails clear. An indoor space for walking would be used frequently by active seniors and provide a

place for assisted living, adult day providers and caregivers to bring less mobile seniors out in the winter, either for a safe walk, or to be around other people in an unstructured environment.

However, they also maintained that scheduled activities work well for less independent individuals, as caretakers must plan extra time to get less mobile residents to an activity.

Recreation and Culture Committee

Work Session | 12 noon – 2 p.m.
Friday, November 15. The Recreation and Culture Committee decided to invite more representatives from the business community to bring their expertise in economic development and private-sector project financing to discussions about the direction of the Needs Assessment and any large-scale priority projects that might come out of it. The Committee discussed previous successful projects in which the City was a partner, and how lessons learned from those projects (e.g., the animal shelter, library, Old Town) could be applied to the Needs Assessment project. Past successful efforts had a lead organization with goals, plans, volunteers and seed money; the City was better able to contribute as a partner with an outside lead organization (for instance, the City provided land for the hospital).

Community Workshop



INTERVIEWS

The planning team conducted key informant interviews with all members of the Recreation and Culture Committee as well as a few key providers including, Carol Swartz (Kachemak Bay Campus), Douglas Waclawski (Homer High School Principal), Joy Steward (Homer Foundations), and Rick Malley (Independent Living Center).

STATISTICALLY VALID SURVEY

A statistically valid telephone survey was conducted by Ivan Moore Research, primarily to assess the community’s willingness to pay for identified recreation and culture needs. Survey results indicated that recreation and culture are important to the majority of area residents and that there is some support for increasing public funding for recreation and culture facilities and services through various means. The full survey report cross-tabulates responses by categories such as zip code, age, and income for a more detailed picture of how people value recreation and culture resources, as well as funding options at the time of the survey.

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**HERC Building Upgrade
Analysis Report**




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April 5, 2016

Sign-off Sheet

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Executive Summary

The Stantec Architecture Inc. design team and the Homer Public Safety Building Committee have been working together to determine the needs and potential solutions for the Police and Fire departments in the City of Homer. Funding limitations have led the team to explore options for combining, separating, or phasing the two requirements at the current Homer Educational and Recreation Center site. The goal of this report is to examine the potential reuse of portions of the building to provide space needed in a new Homer Police Station.

Discussions with the Authority Having Jurisdiction (Tim Fisher, State of Alaska Office of Fire and Life Safety) have confirmed the project falls within the requirements of Chapter 34 (Existing Structures) of the International Building Code. Without submission of a completed design for review, the discussion revolved around determining the probable level of upgrade required per their interpretation of the Code requirements given the Office's past history with this facility, and the expected new use. Considering the relationship to cost and impact to building systems the discussion focused mainly on what would be required as structural upgrades. The State does not have the capacity to review structural designs. Mr. Fisher confirmed that ensuring the capacity of the structural systems and any upgrades will be left to the designer of record. It was also confirmed that inclusion of any assembly occupancy (the gymnasium) with the reuse of other portions of the building would require fire separation (fire wall) or fire protection (sprinklers) for the entire facility.

Considering the age of the existing Homer Educational and Recreation Center's building systems and the plan for the new police station to be constructed as close as possible to the existing Homer Educational and Recreation Center the report assumes that electrical, data, communication, and heating utilities would come from the new police station facility and only be upgraded or replaced to the minimum functional need. It is assumed that all air systems serving the HERC will need to remain independent; especially considering the special requirements for a shooting range and the control of lead particles.

This report assumes that elements not required as code upgrades, but that could decrease the cost of operations, will be explored during the initial design effort. These elements include upgrades to the thermal envelope that could decrease heating costs, or hazardous material abatement that would reduce the requirement for licensed abatement contractors to be involved with future maintenance or upgrades through the life of the building. This report examines the reuse of only a limited area of the classroom wing. It is assumed the remainder of the building will remain as-is and demo cost is not included.

Rough order of magnitude pricing for the anticipated upgrades is being provided by the projects construction partner, Cornerstone. The pricing effort is based on an onsite walk-through with members of the design team; Ken Castner, Chairman of the Public Safety Building design committee; and Chief Robl; and the narrative descriptions of the upgrades contained in this report.

1.0 STRUCTURAL ASSESSMENT

1.1 BACKGROUND

1.1.1 As Built

The as-built drawings for the old Homer High School are dated 1956. The existing Homer Educational and Recreation Center (HERC) structure is still essentially the same as the 1956 drawings indicate. There are no additions to the structure, and it appears there are only some minor revisions in the floor plan layout since its original construction.

The structure is generally described as a wood framed building on concrete foundations. This description is apropos for the classroom portion of the old school. The roof deck consists of 2x tongue and groove decking over glue-laminated wood beams. The beams are in turn supported on 6x6 timber columns that are concealed in the walls. The columns bear on a concrete foundation system.

The gym portion of the old school has a roof deck consisting of 2x6 tongue and groove planking over steel joists. The joists span the width of the gym to bear on timber columns hidden within the walls. The timber columns bear on a continuous concrete wall footing.

The foundation system of the HERC building consists of a concrete slab on grade throughout the structure. The exterior walls bear on continuous concrete stem walls.

Lateral forces (wind and seismic loads) are resisted using plywood sheathing on nearly every wall in the building. The wall sections on the architectural drawings show the exterior of the building sheathed using 5/8-inch plywood. An inspection above the ceiling space reveals a layer of plywood on the inside face of the wall below the glue-laminated beam at the exterior walls.

The interior classroom partitions are sheathed with plywood as a finish material. Although these walls may not have been intended to be, they are defacto shear walls.

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1.1.2 Building Codes

The structure is presumed to be designed in conformance with the 1952 Uniform Building Code. The structural loads used as the basis of design are listed in the General Notes on the structural drawings. Those loads are shown in the figure below:

DESIGN DATA:

Roof loads		Misc. loads	
Live load	30 #/ft ²	Wind load	30 #/ft ²
T&G deck	10 #/ft ²	Floor live load	50 #/ft ²
Ceiling	5 #/ft ²	Entrances	100 #/ft ²
Roofing	10 #/ft ²		
total	55 #/ft ²		

Seismic loading - Zone 3 per Pacific Coast Uniform Bldg. Code. $F_s = 0.15 \times 4.0 \times D.L. = 0.133 \times D.L.$ T&G roof is assumed to act as a horizontal diaphragm to carry loads to braced interior partitions and to end walls, to ground floor slab and foundations.

Assumed soil bearing capacity = 4000 #/ft²

The model building code has changed dramatically since 1952, so comparing the loads listed in the General Notes in the as-built drawings to specified loads in our contemporary codes is not always a direct comparison. For example the "fastest-mile wind speed" was used to determine the wind loads on a structure. In the mid-1990s, the fastest-mile wind speed was abandoned in favor of using the 3-second gust speed. The basic wind speed used to calculate the design wind load was that speed associated with a 300-year return period. A load factor of 1.6 was applied to this load when designing building components. In 2010, the code changed again, now using the wind speed associated with a 700-year return period event. This new design wind speed is higher than that used in previous codes; and it is referred to as an 'ultimate' design wind speed. Recognizing the wind speed is greater, the design process now uses a load factor of 1.0 instead a load factor of 1.6.

The end result is that while the design process has changed significantly, the final design wind load is approximately the same. The as-built drawings list a design wind pressure of 30 pounds per square foot (psf), and the new code also requires a basic design wind pressure of 30 psf.

The code provisions used to determine seismic loads has changed significantly as well. The process used to calculate the design seismic load codes in current codes is long and labored, but the end result is new code only requires a seismic design load 2 percent greater than that used to design the structure in the 1950s.

1.1.3 Significant Historical Events

Beyond the information presented on the as-built structural drawings, the building survived the Magnitude 9.2, 1964 Great Alaska Earthquake; and, more recently, the Magnitude 7.1 Iniskin Bay Earthquake. Homer is located approximately 180 miles and 50 miles from those epicenters, respectively.



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The HERC building has also survived several major wind events. The wind event in March 2003 recorded extremely high wind speeds in much of Alaska's south central region.

Other notable events include winters of significant snowfall. The south central region of Alaska has had several winters with significant snowfall including the record-breaking winter of 2011-2012.

1.2 GENERAL CONDITION

1.2.1 The Roof and Walls

The existing structure is in remarkable condition given its age. In general, the wood roof decking in all the areas where it could be observed appeared to be in good condition, and free of any water stains. No evidence of previous roof leaks was observed.

The glued-laminated wood beams are also in good condition. The beams appear to be manufactured using casein glue. Casein glue was commonly used to manufacture glue-laminated beams up until about the mid-1960. Its use was discontinued because it tends to break down when it is exposed to moisture. Nearly all the glue-laminated beams in the classroom area and the shop area were inspected during the site visit, and no indication was found that any glue joint is failing. All the beams inspected appear to be competent.

Performing structural calculations to verify the structure was designed appropriately is beyond the scope of this project. Assuming the beams were correctly designed, the roof should be capable of supporting a design roof snow load of 30 psf. The discussion in section 1.1.2 reveals that the design roof snow load under the current code is the same as that used in the original building design, so there is no compelling reason to augment or otherwise change the existing roof framing, except where the floor plan is to be changed.

1.2.2 The Concrete Foundation

The building's foundation system consists of cast-in-place concrete. The classroom wing is founded on a concrete slab on grade that is thickened under the load bearing walls. The exterior classroom walls are founded on cast-in-place foundation walls.

All the concrete elements that could be inspected appeared to be in very good condition. Usually, in buildings this old, the concrete is cracked from having settled, or it is spalled and degenerating where it is exposed to the weather. The concrete foundation under the HERC building is in very good condition. There are some cracks along the foundation walls, but none that require repairs.

1.2.3 The Lateral Force System

The lateral force (wind and earthquake) resisting system essentially consists of numerous shear walls throughout the structure. The building does not have adequate shear resistance on the



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exterior sides of the classrooms, where the perimeter walls are nearly all glass. The interior partitions are sheathed with either structural plywood, or plywood wall finish. As a result, the classrooms, although probably not designed to do so, are acting as a group of three-sided diaphragms. The copious use of wood sheathing as a wall finish likely helped this structure survive the 1964 Great Alaska Earthquake.

1.3 THE RE-PURPOSED BUILDING

1.3.1 The Shooting Range

Future plans for this building suggest the (plan) south half of the classroom addition being converted into a shooting range. To create that large, open space requires six timber columns to be removed along with the three walls between rooms 108, 109, 110, and 111. Removing the columns will require new beams to support the existing roof structure. The new beams will be framed from the exterior wall to the corridor wall under the existing roof beams. Two new columns will be required at each beam location, one under each end.

As noted previously in this report, the partitions between the classrooms probably function as de facto shear walls. Removing these interior walls significantly reduces the lateral resistance of the building to both wind loads and seismic loads. A detailed structural analysis of the building will likely prove that the existing roof diaphragm over the south half of the classroom addition will not be adequate to resist the design lateral loads. The existing diaphragm can be augmented by adding structural wood sheathing panels to the underside of the existing tongue and groove deck between the existing glued-laminate roof beams. This new sheathing could then be connected to new, competent wood-sheathed shear walls at each end of the range. The new wood shear walls would in turn be bolted to the existing concrete foundation system.

The windows in the (plan) south wall will have to be removed to control the lighting in the shooting range. The empty holes should be infilled with wood framing sheathed with wood structural wood shear panels, which will create a competent shear wall on the exterior side.

1.3.2 The Evidence Room

Future plans suggest the north half of the classroom wing will be remodeled to create an evidence storage room. As with the shooting range, if the interior partition walls between the classrooms are removed, the underside of the existing roof deck should be sheathed and new shear walls constructed on each end of the space. If the walls are not removed, they should at least be augmented to ensure they function as competent shear walls.

The windows should be removed from the north wall of the classroom wing and replaced with infill and structural wood sheathing to create a more secure storage area. Walls around secure storage areas are often hardened by adding chain link, sheet metal or other products to prevent intruders from entering by cutting through the walls. Adding shear strength to the walls can be accomplished in conjunction with these other improvements.



1.4 THE TWO-STORY POLICE STATION ADDITION

Future plans for this site include the addition of a two-story police station on the south side of the existing HERC building. This new addition should be framed to be structurally independent of the existing structure. The new police station will be designed as an 'essential' facility under the new code, meaning it will be designed to a standard much higher than the existing HERC building. The existing structure will be much more likely to be damaged in a future extreme weather or seismic event than the new structure.

Creating a separation between the two structures will prevent the existing building from placing undue burden on the new structure during that event. Structurally separating the two buildings means placing a joint that is only inches wide between the two structures. Ostensibly, the two structures will function as a single building.

The new two-story police station will be higher than the existing building. As a result, the new building could cause snow to drift on the existing lower roof. There is little means available to prevent the drifting, so the existing roof will have to be strengthened where the new snow drifts are expected to form. The existing roof structure can be shored up by adding new beams under the existing beams, spanning from exterior wall to the corridor, as-is required for the shooting range. An alternative is to create a new roof over the existing roof to bear the weight of the potential snow drifts.

1.5 SUMMARY

From a structural viewpoint, re-purposing the HERC building to create a shooting range, evidence storage, and possibly a shop area is feasible; however, there are some minor structural alterations required to make the space useable. The alterations should include adding some shear resistance (1/2-inch plywood with fasteners 6 inches O.C.), and improvements to the gravity load system where loads imposed as a result of the new construction will be greater than the loads for which the existing system was designed.

2.0 ARCHITECTURAL ASSESSMENT

2.1 CODE UPGRADES

The repair and alteration of an existing building within the City of Homer is governed by Chapter 34 (Existing Structures) of the International Building Code (IBC) per the State of Alaska Office of Fire and Life Safety. Without the submission of a completed design for review by the State's Office, the discussion with Tim Fisher (Building Plans Examiner) revolved around determining the probable level of upgrade required per their interpretation of the IBC requirements, the Office's past history with this facility, and the expected new use.

2.1.1 Fire Protection- Sprinklers

The expected total square footage of the two-story Police Station would be larger than current code would allow for an unprotected structure; therefore, it is assumed that a new facility or reused portions of the HERC will be sprinklered. It was also confirmed with Mr. Fisher that an inclusion of any assembly occupancy (the gymnasium) with the reuse of other portions of the building would require fire separation (fire wall) or fire protection (sprinklers) for the entire facility.

2.1.2 Americans with Disability Act (ADA)

The existing structure is two levels with exits at grade. It is assumed only minor site modifications from slope and surface would be needed to allow exiting to a safe area to meet the requirements of ADA. Door threshold and hardware are assumed to be replaced and would meet all current requirements. It is assumed that all required ADA restroom facilities will be provided in the newly constructed portions.

2.1.3 Exiting

Considering the planned reuse of the classroom wing for lower occupant type loading (storage, maintenance, and shooting range) the existing number of exterior exits and arrangement, and the planned new construction appears able to meet current code. Meeting the requirement for two means of egress at the west end; occupants would need to exit north at-grade or through a new addition to the south. If the gymnasium is reused as part of the project, the exiting of the two areas will need to be separated but appears to be feasible within the existing arrangement.

2.2 EXTERIOR ENVELOPE

2.2.1 Roof

The seismic upgrades for the roof diaphragm can be constructed from inside the facility and will not require demolition of the existing roof. The price of a new roof is not included but the existing condition has not been verified.

For purposes of this report we are assuming the insulation values will remain as-is and that within the concept design an analysis would be done to determine the cost benefit of increasing the roof insulation and associated energy savings. The two factors that will reduce the benefit of additional insulation will be the many air exchanges required for the shooting range, and the potential for relatively low temperature requirements for evidence storage.

2.2.2 Exterior Wall Assembly

This report assumes no thermal upgrade to exterior walls for similar reasons to the roof. The project will require infill of windows for lateral resistance as described by the structural review. Because of the infill, new paint and prep is assumed for all exterior walls.

2.2.3 Exterior Window and Doors

All doors and windows in the facility that are to remain have reached the end of their service life and should to be replaced. Replacement will ensure the correct waterproofing and air tightness. New hardware required to meet ADA, and current code requirements for safety glazing will be satisfied with unit replacement. Insulated glazing in exterior windows and doors will also reduce energy use.

2.3 INTERIOR FINISHES

Most interior finishes in the facility have reached the end of their useful service life. Considering the cost limitations, all interior finishes would be demolished for new construction and only replaced as allowed by budget or as a requirement for fire protection.

2.3.1 Floors

As a cost saving measure all existing flooring will remain. Asbestos mastic in the floor will remain contained.

2.3.2 Interior Walls

Interior walls will be patched to accommodate new devices and infills and all interior surfaces will be repainted.

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2.3.3 Ceilings

Considering the structural diaphragm, sheathing upgrades all ceilings will require demolition. It is assumed all lighting will be suspended and that no new ceiling would be installed. Underside of sheathing will be painted.

2.3.4 Interior Doors

It is assumed that because of security requirements and new layouts for a public entrance to the shooting range, and separation from the remainder of the building, all interior doors and hardware will be new.

2.4 HAZARDOUS MATERIALS

2.4.1 Existing Material to Remain

Friable and non-friable asbestos containing material (ACM) is present at the HERC building. Friable asbestos is classified as regulated asbestos containing materials (RACM) by the U.S. Environmental Protection Agency (EPA). RACM includes thermal system insulation and surfacing materials, which have been applied through methods such as spraying or troweling. RACM creates the greatest risk of exposure due to its propensity to release asbestos fibers into the air when disturbed. Examples of RACM at the HERC building are the insulation that covers the old boiler and pipe insulation located on heating and domestic plumbing located in various areas the building.

Non-friable ACM is broken down into two separate classifications: which are Category I non-friable asbestos and Category II non-friable asbestos and the HERC building contains both. Category I non-friable ACM is defined as resilient floor coverings, mastics, asphalt roofing, packings, and gaskets. Category II non-friable ACM is defined as any material excluding Category I non-friable ACM that when dry cannot be crumbled, pulverized, or reduced to powder by hand pressure. These materials do not present the high level of fiber release that RACM does; however, if not handled correctly the material can still present a health hazard. Examples of non-friable asbestos at the HERC building include joint compound within gypsum assemblies, vinyl flooring, and various types of mastics.

Any ACM that would be directly disturbed during a renovation of the HERC building would need to be removed prior to the disturbance taking place. Examples of this include gypsum walls, soffits, and ceilings that may be affected as part of a reconfiguration of the interior layout. Another example would be the speaker/clock units in the classrooms, which contain a black coating within its housing that is ACM. Another example would be the black mastic that adheres chalk boards to walls. In some locations the boards have been removed, leaving the asbestos mastic exposed.



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Any ACM that is to remain in place should be properly managed in order to comply with Occupational Safety and Health Administration (OSHA) and EPA requirements. The elements of this management effort would include:

- Designate an asbestos coordinator.
- Comply with OSHA Hazard Communication requirements.
- Placard all friable ACM.
- Provide asbestos awareness training for all staff who work within building.
- Conduct periodic inspections of ACM to track condition.
- Develop, implement and administer contractor procedures for working in the building.

2.4.2 Mold and Mildew

No reports or testing for confirmation of mold or mildew was completed.

3.0 MECHANICAL ASSESSMENT

The purpose of this portion of this report is not to assess the condition and age of the mechanical systems in the existing building, but to identify code required upgrades that would be needed if a portion of the building was to be re-purposed. The area of work would include the upper floor of the existing building, which would be converted from classrooms and office space into a shooting range, evidence storage and drying, and a maintenance space. The lower floor of the building houses the multi-purpose room, locker rooms, a fitness room, a kitchen, storage, and the boiler room. These spaces would remain as-is.

This renovation would occur at the same time as the construction of the new Police Station building, adjacent to the HERC building. The new and existing building would be separate structures with a connection, allowing central mechanical systems in the new building to serve the re-purposed areas, in lieu of doing major upgrades to the existing systems.

3.1 PLUMBING

The existing building is served by the public water and sewer utility. A 2-1/2-inch domestic cold water pipe enters on the east side (plan south) of the building, routes directly to the boiler room, and goes through a water meter and pressure reducing valve. A hot water storage tank, located in the boiler room and heated by the hydronic heating system, provides domestic hot water for the building. Most of the domestic water system appears to be from original construction.

The shooting range and evidence storage/drying spaces should not require the addition of any plumbing fixtures. If desired, a utility sink could be added to the maintenance room and be fed off the existing building's plumbing system without requiring any code upgrades to the main service. Backflow protection could be provided at the utility sink, as required.

3.2 FIRE PROTECTION

The HERC building is currently not equipped with a fire sprinkler system. The shooting range and evidence storage/drying spaces will need to be sprinklered; however, the existing 2-1/2-inch water service is too small to serve a sprinkler system and it would be cost prohibitive to upsize the water service to the existing building and provide the required backflow prevention. Therefore, it is our recommendation that the remodeled portions of the existing building be fed off the wet-pipe fire sprinkler system that will be installed in the new building.

A separate dry-pipe sprinkler system or chemical suppression system could be considered for use in evidence storage, but would likely add significant cost to the project.

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3.3 FUEL SYSTEM

An above ground fuel tank serves the facility. The tank is not adequately secured to resist damage from earthquakes, as required by National Fire Protection Association (NFPA). The tank base should be upgraded and the tank seismically anchored to the base to prevent overturn.

Although the new equipment discussed under heating and ventilation will be gas-fired, the existing fuel-fired boiler could remain in use to temporarily heat the portions of the existing building not being re-purposed under this project, to include the multi-purpose room, Locker Rooms and Kitchen.

3.4 HEATING

The building is currently heated with a fuel-fired boiler that replaced the original steam-fired boiler, which was abandoned in place. Individual rooms are heated by cabinet unit ventilators (CUVs) with heating coils or hydronic baseboard. The fuel-fired boiler is in good operating condition and could remain in use to heat the portions of the building that do not get re-purposed under the scope of this project.

The existing CUVs and baseboard in the re-purposed portions of the existing building would be demolished. Since the CUVs have a ducted opening through the exterior wall, patching of the existing wall would be required. New terminal heating equipment would be provided to accommodate the new use and layout; most likely a combination of baseboard and unit heaters. Hydronic hot water to these terminal units would be fed from the central heating system in the new building.

No major code upgrades would be required to the existing central heating system.

3.5 VENTILATION

Ventilation for the building is provided by a variety of systems. The classrooms and some of the office spaces are ventilated by the CUVs, which bring in outside air and heat it as required. A central, ducted relief fan pulls the air from each of these spaces and discharges it to the outside. This ventilation scheme will not work for the re-purposed spaces, so the CUVs, the relief fan, and associated relief ductwork would be demolished.

Although it does not appear that the relief fan is serving any of the spaces that are to remain as-is, this would need to be confirmed. In this case, a new relief/exhaust fan would replace the existing relief fan to provide the correct airflow and control. This fan would also be sized to support relief/exhaust from the evidence storage and maintenance spaces.

A small, 900 cubic feet per minute (CFM) air handling unit was installed in 1997 to serve an area that was converted into office space on the west side of the second floor. It is located above the ceiling of the area it serves. Consideration could be given to re-using this unit for the



HERC BUILDING UPGRADE ANALYSIS REPORT

Mechanical Assessment
April 5, 2016

evidence storage area, but it would need to be confirmed that it was large enough to provide code-required ventilation and whether the filtration was adequate. Regardless of whether the unit could be salvaged or not, the supply and return/relief ductwork would need to be completely replaced. As another option, ventilation could be supplied to evidence storage from the central system in the new building.

The multi-purpose room has its own dedicated air handling unit, located in a fan room on the upper floor. This system would remain mostly as-is, with minor modifications to the ductwork to accommodate any renovation to the wall that divides the multi-purpose room from the rest of the building. Exhaust and make-up air systems for the kitchen and locker rooms located on the lower floor, and the restrooms located on the upper floor, could remain as-is unless floor plan changes necessitate relocating ductwork or exhaust fans.

A dedicated, once-through exhaust/make-up air ventilation system will be required to serve the shooting range. The preferred system would include a roof-mounted exhaust fan and a gas-fired make-up air unit, if the structural analysis or renovations permit it. As an alternative, the exhaust fan could be mounted to an exterior wall and the upper level fan room could be enlarged to make room for a make-up air unit equipped with a hydronic heating coil (in lieu of gas-fired).

3.6 COOLING

There is currently no mechanical cooling in the existing building. Mechanical cooling does not need to be added to comply with code, but could be added for comfort if desired.

4.0 ELECTRICAL ASSESSMENT

This assessment is to identify code required upgrades to the facility. It also provides recommended improvements to the existing system.

4.1 ELECTRICAL DISTRIBUTION

The existing electrical distribution system is adequate. The main distribution panel is a very old 800a, 120/208-v, 3-phase, 4-wire, Westinghouse switchboard that will be hard to find replacement parts for, if at all. Panel A and Panel 1A are also older type Westinghouse panelboards. The rest of the panels are Square D panelboards for which breakers are still readily available.

There are a few code required deficiencies that need attention.

- Conduit that is not supported properly.
- Ensure all wiring is routed in conduit or MC cable to devices. It was noted at a corridor light fixture that the conductors were extended to the fixture from the junction box.
- Damaged conduit runs that have separated joints need to be corrected. A resistance test should be performed on each conduit run to identify and correct any separations since the conduit is used as the equipment grounding electrode.
- Damaged surface raceways must be corrected and devices properly installed.
- Junction boxes that need to have their covers and/or knockouts installed.
- Ensure proper working clearances are maintained in front of all panels.

4.2 LIGHTING SYSTEMS

A majority of the lighting is provided by fluorescent T12 fixtures, incandescent bathroom wall sconces, and exterior high-intensity discharge (HID) light fixtures. Many of the fixtures are in poor condition. It is recommended that they be replaced with energy efficient light-emitting diode (LED) fixtures, which may be more cost effective than replacing the existing ballasts, lamps, and lenses.

The code requires emergency egress lighting at each exit door to sufficiently light the exit landing. These will be required to be installed.

4.3 WIRING DEVICES

The wiring devices are at the end of their useful life. Some devices in the surface raceways are falling out and have exposed conductors. This must be corrected. Ground fault circuit interrupter (GFCI) type receptacles must be installed in all restrooms and within 6 feet of a water source. Exterior receptacles must be weather resistant GFCI type with while-in-use covers.

4.4 SPECIAL SYSTEMS

4.4.1 Fire Alarm System

The building has simple single zone Edwards E 1257 fire alarm panel. The system has some audible/visual indicating devices and pull stations. If this system is to remain, devices need to be added and the battery backup capacity rechecked. Devices that need to be added include audible/visual indicating devices in restrooms and other occupied spaces, as well as heat and carbon monoxide (CO) detectors in the boiler room and smoke detectors in the electrical room. Since the HERC building does not have a sprinkler system, smoke detectors should be added along the means of egress from the facility.

It is recommended that the system be replaced with an addressable system and devices added to provide effective coverage of the facility.

4.4.2 Telecommunications

The installation and workmanship of the existing telecommunication system is very poor. Even the routing of the incoming cables to the telephone backboard and punchdown blocks should be redone. The system has been scattered throughout the facility and abandoned portions and cables left hanging in place. The entire system should be removed and new cabling routed to the necessary locations.

4.4.3 Clock/Speaker System

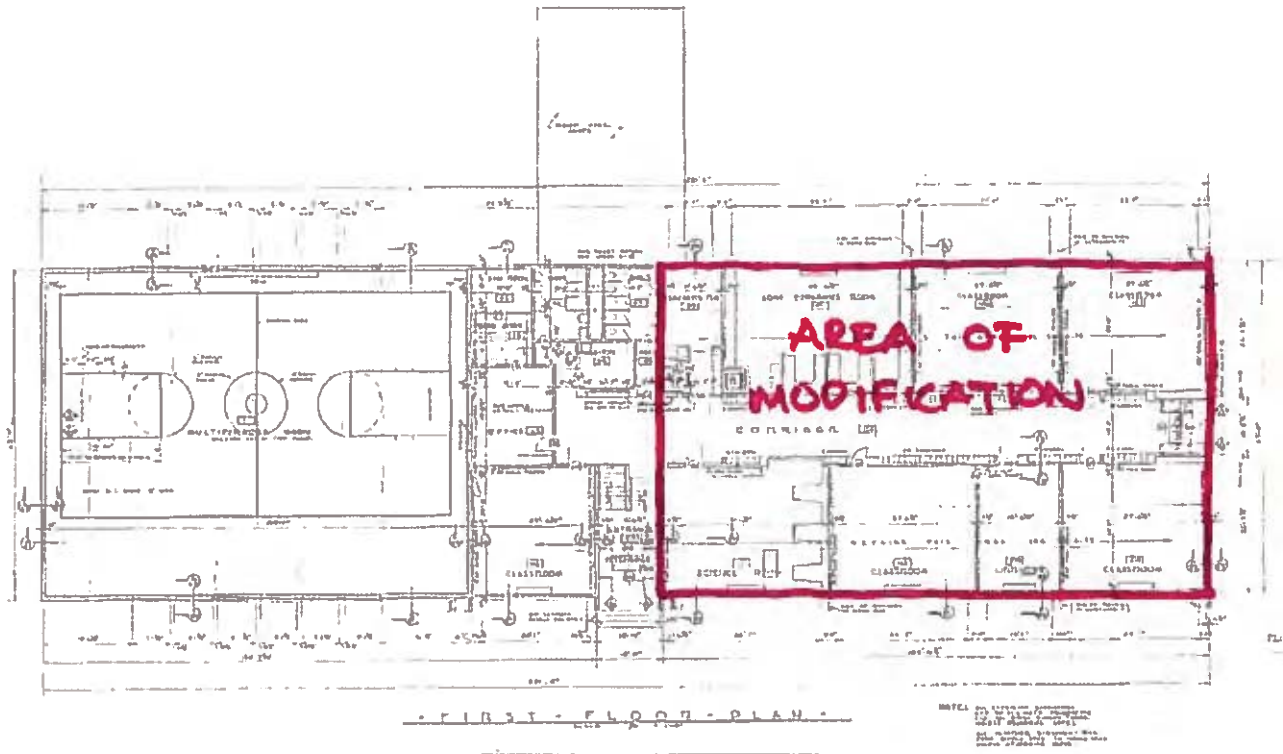
Parts of this system have been removed and since it is not needed, it should be removed.

Appendix A AREA OF MODIFICATION

HERC BUILDING UPGRADE ANALYSIS REPORT

Appendix A Area of Modification
April 5, 2016

A.1 PORTION OF HERC TO BE RE-USED

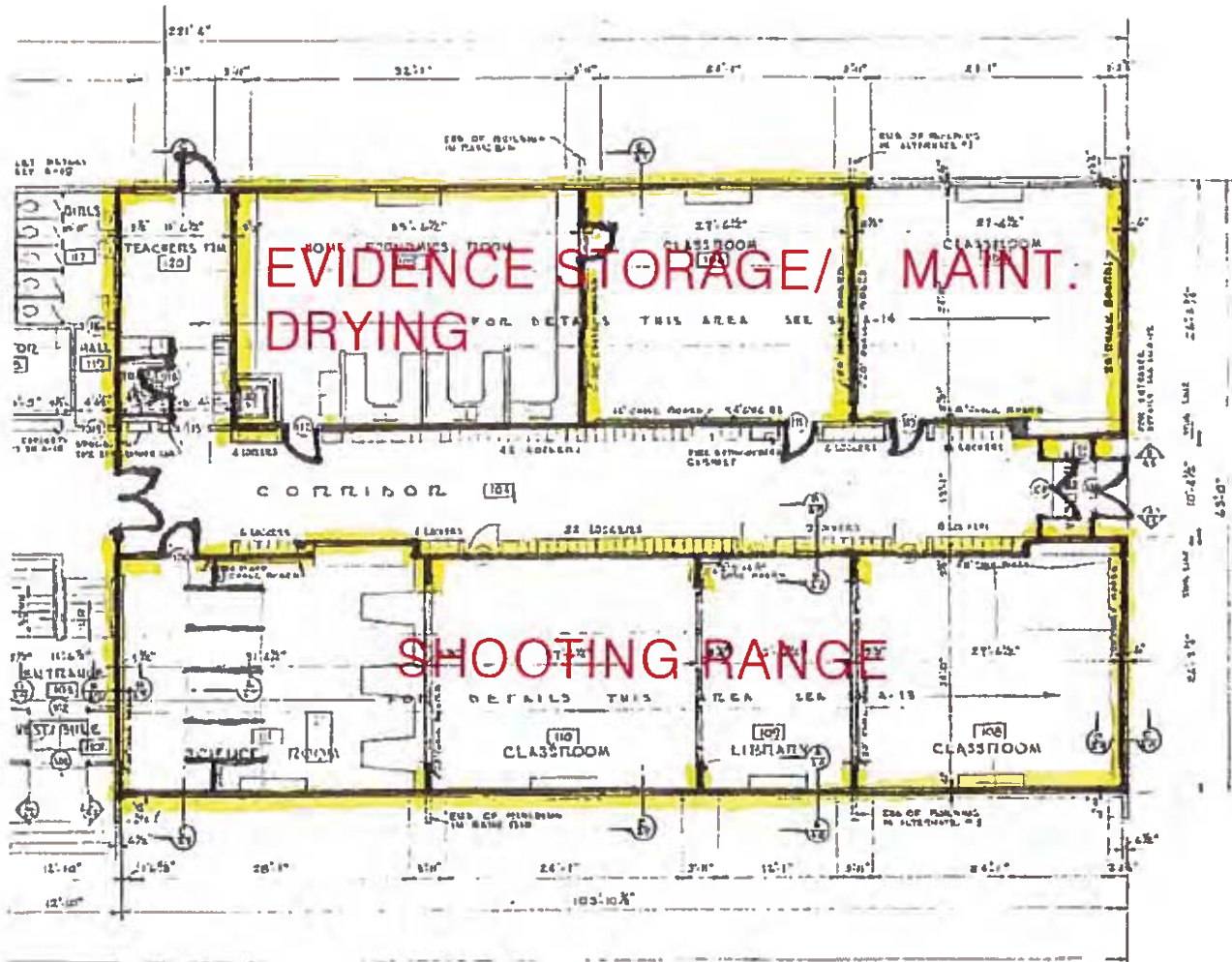


A.2

HERC BUILDING UPGRADE ANALYSIS REPORT

Appendix A Area of Modification
April 5, 2016

A.2 CONCEPT LAYOUT OF RE-PURPOSED AREAS



**HERC Building Analysis
Order of Magnitude Cost Estimate**

April 24, 2013

Building Areas

Gym Area	5,700 SF
Lower Level Area	2,800 SF
Upper Level Area	8,300 SF
Total Building Area	16,800 SF

Description	Quantity	Units	Unit Cost	Totals	Total Required for	
					Code and ADA Compliance	Building Performance
Sitework						
Walkway	625	SF	\$9.48	\$5,926	\$5,926	\$0
HCP Paving	1,000	SF	\$4.48	\$4,481	\$4,481	\$0
Stoop	28	SF	\$10.00	\$280	\$280	\$0
Regrading	3,750	SF	\$0.50	\$1,875	\$1,875	\$0
Sitework Subtotal				\$12,562	\$12,562	\$0
Replace Siding & Insulation						
Windows	11,880	SF	\$52.80	\$627,264	\$0	\$627,264
Renovations: Gym	683	SF	\$92.00	\$62,873	\$0	\$62,873
Renovations: Lower Level	5,700	SF	\$82.07	\$467,775	\$93,555	\$374,220
Renovations: Upper Level	2,800	SF	\$120.00	\$336,000	\$67,200	\$268,800
Replace Roofing Assembly, Complete	8,300	SF	\$120.00	\$996,000	\$199,200	\$796,800
Architectural Subtotal	15,200	SF	\$28.00	\$425,600	\$0	\$425,600
				\$2,915,512	\$359,955	\$2,555,557
Structural						
Upgrade Roof Structure	15,200	SF	\$20.00	\$304,000	\$0	\$304,000
Upgrade Shear Walls: Upper Level	480	LF	\$126.72	\$60,826	\$0	\$60,826
Upgrade Shear Walls: Lower Level	230	LF	\$126.72	\$29,146	\$0	\$29,146
Structural Subtotal				\$393,971	\$0	\$393,971

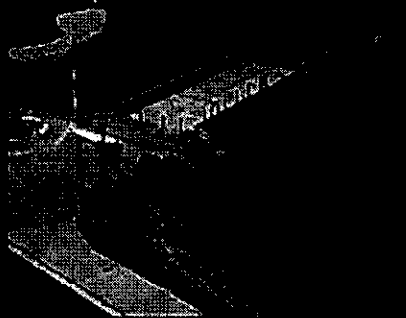
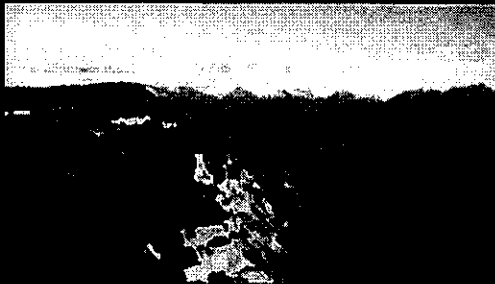
**HERC Building Analysis
Order of Magnitude Cost Estimate**

April 24, 2013

Description	Quantity	Units	Unit Cost	Totals	Total Required for	
					Code and ADA Compliance	Building Performance
Mechanical						
New Sprinkler System	16,800	SF	\$4.50	\$75,600	\$75,600	\$0
New Heating Distribution System	16,800	SF	\$27.00	\$453,600	\$0	\$453,600
New Air Handlers & VAV Air Distribution System	16,800	SF	\$30.00	\$504,000	\$0	\$504,000
New Bathrooms: Lower Level	2	EA	\$91,200.00	\$182,400	\$182,400	\$0
Add Roof Overflow Drain System With Heat Trace	15,200	SF	\$4.00	\$60,800	\$60,800	\$0
Mechanical Subtotal				\$1,276,400	\$318,800	\$957,600
Electrical						
Replace Power Distribution System	16,800	SF	\$14.00	\$235,200	\$47,040	\$188,160
Replace All Lighting	16,800	SF	\$20.95	\$351,900	\$70,380	\$281,520
New Fire Alarm System	16,800	SF	\$3.50	\$58,800	\$58,800	\$0
New Telecom Distribution System	16,800	SF	\$6.45	\$108,300	\$0	\$108,300
Electrical Subtotal				\$754,200	\$176,220	\$577,980
Subtotal				\$5,352,645	\$867,537	\$4,485,108
General Contractor Costs						
General Conditions	15%			\$802,897	\$130,131	\$672,766
Hazmat Abatement (allowance)	1	LS		\$336,000	\$336,000	\$0
Contractor Overhead & Profit	8%			\$519,323	\$106,693	\$412,630
Estimating Contingency	10%			\$701,087	\$144,036	\$557,050
Total Estimated Construction Cost (2013 Dollars)				\$7,711,952	\$1,584,398	\$6,127,555
Total Construction Cost Per Square Foot (2013 Dollars)				\$459	\$94	\$365
Project Costs						
Permits and Fees	2%	of Const Cost		\$154,239	\$31,688	\$122,551
Design	10%	of Const Cost		\$771,195	\$158,440	\$612,755
Construction Admin & Management	6%	of Const Cost		\$462,717	\$95,064	\$367,653
Furniture, Fixtures, Equipment	5%	of Const Cost		\$385,598	\$79,220	\$306,378
1% For Art	1%	of Const Cost		\$77,120	\$15,844	\$61,276
Project Contingency	10%	of Const Cost		\$771,195	\$158,440	\$612,755
Total Estimated Project Cost (2013 Dollars)				\$10,334,475	\$2,123,187	\$8,211,288
Total Project Cost Per Square Foot (2013 Dollars)	16,800	SF		\$615	\$126	\$489

Public Copy - Please Do Not Take

Feasibility Study for a Potential New Conference Center in Homer, Alaska



Presented to the:
City of Homer, Alaska
July 9, 2005



Conventions, Sports & Leisure International



July 9, 2005

Ms. Anne Marie Holen
Special Projects Coordinator
City of Homer
491 East Pioneer Avenue
Homer, Alaska 99603

Dear Ms. Holen:

We have completed a feasibility analysis of a potential new conference center ("Center") in Homer's "Town Center." The attached report presents our research, analysis and findings and is intended to assist the City of Homer, Alaska ("City") in evaluating the viability of new Center development.

The analysis presented in this report is based on estimates, assumptions and other information developed from industry research, market data provided by the City and other local parties, surveys of potential facility users and analysis of competitive and comparable facilities and communities. The sources of information, the methods employed and the basis of significant estimates and assumptions are stated in this report. Some assumptions inevitably will not materialize and unanticipated events and circumstances may occur. Therefore, actual results achieved will vary from those described and the variations may be material.

The findings presented herein are based on analysis of present and near-term conditions in the Homer area as well as existing interest levels by a new Center's potential base of users. Any significant future changes in the characteristics of the local community, such as growth in population, corporate inventory and visitor amenities/attractions, could materially impact the key market, financial and economic conclusions developed as a part of this study. As in all studies of this type, the estimated results are based on competent and efficient management of the potential facility and assume that no significant changes in the convention, conference, exhibition, tradeshow and meeting markets or related markets will occur beyond those set forth in this report. Furthermore, all information provided to us by others was not audited or verified and was assumed to be correct.

Ms. Anne Marie Holen
Page 2 of 2

This report has been prepared for the internal use of the City and should not be relied on by any other party. The report has been structured to assist City representatives in evaluating the market feasibility of potential Center development in Homer, and should not be used for any other purpose.

We sincerely appreciate the assistance and cooperation we have been provided in the completion of this report and would be pleased to be of further assistance in the interpretation and application of our findings.

Very truly yours,

CSL International

CSL International

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- Executive Summary -

This summary highlights the key findings of the feasibility study of a potential new conference center ("Center") in Homer. Conventions, Sports and Leisure International ("CSL") was engaged by the City of Homer ("City") to conduct a feasibility study of the proposed Center. The full report should be reviewed in its entirety to gain an understanding of the study methods, limitations and implications.

This summary is presented in the following sections:

- Introduction.
- Local market conditions.
- Competitive/comparable facilities and communities.
- Market potential.
- Building program and development options.
- Event levels and costs & benefits.

Introduction

The envisioned Homer conference center would act as an economic generator and a public resource for the local community, hosting conventions, conferences, tradeshow, public/consumer shows, meetings and other events of both a non-local and local nature. An important goal of the facility would be to retain and attract events to the area that presently cannot be accommodated by existing facilities in the community.

The development of Homer's Town Center has been discussed in the community for some time. The City and other community constituents are interested in identifying viable "anchors" for the overall project. As there has been recent discussion concerning the possibility of a new conference center serving as such an anchor, this study was commissioned to explore the market, financial and economic viability of the conference center project serving such a role.

Local Market Conditions

The strength of the local market, in terms of its socioeconomic attributes, can provide an indication of a community's ability to accommodate large numbers of convention, conference, tradeshow, public/consumer show and other event attendees. A community's hospitality infrastructure in terms of hotels, restaurants, entertainment and other such factors contribute heavily to the potential success of a conference facility. Likewise, the transportation accessibility of a community and its geographic proximity to bases of population also influence its ability to attract event activity and attendees.



Key strengths of Homer as it relates to supporting a new conference center include its: (1) small and specialized nature of existing event facilities, (2) picturesque location, (3) seasonal tourist amenities, (4) year-round outdoor recreational activities, (5) historic, cultural & arts attractions, and (6) driving proximity to Anchorage and other Kenai Peninsula markets.

Noted weaknesses include its: (1) number of quality hotel rooms, (2) limited size of largest hotel properties, (3) dispersed nature of hotel inventory, (4) air accessibility limitations, (5) drive time to and from Anchorage is relatively substantial, (6) number of visitor amenities and attractions, (7) seasonal nature of tourism and therefore also infrastructure operations, and (8) small resident population.

Competitive/Comparable Facilities and Communities

A review of the various physical characteristics of competitive and comparable facilities and the socioeconomic composition of their host communities was conducted. Twelve competitive/regional facilities located in Alaska were analyzed, along with 14 comparable facilities located throughout the country in similar sized communities.

The analysis of competitive facilities reveal a mix of facility types located throughout Alaska—some traditional stand-alone convention/conference centers and some hotel-based conference facilities. All of the stand-alone facilities (i.e., not having operations tied to a hotel property, etc.) operate with an annual deficit requiring public subsidy. In general, most Alaskan facilities accommodate mostly local and state events and tend to operate with lower utilization levels than other comparable facilities located throughout the remainder of the country.

The comparative analysis of socioeconomic and demographic statistics associated with both competitive and comparable markets (that house competitive/comparable facilities) suggest that the success of a potential Homer conference center will rest partially on its ability to attract events and attendees from its "secondary" driving markets (i.e., within 200 miles).

Market Potential

Relative to its population size, Homer presently possesses a number of event facilities (Best Western Bidarka Inn, Homer High School, Lands End Resort) that are capable of hosting flat floor events, such as meetings, conferences and banquets. However, there are a number of issues that constrain the ability of these facilities to effectively accommodate traditional meetings and conferences (i.e., substandard or non-traditional space [i.e., Elks Lodge], other primary uses/tenants [i.e., High School & Ice Rink], lack of proximate hotel rooms [i.e., Islands & Oceans], etc.).



Interest levels from meeting planners from state association and SMERF organizations in using a potential Homer conference center are generally considered to be "moderate" with 45 percent of surveyed responses being of positive response, while 39 percent of respondents indicated they would "definitely not" utilize a potential facility in Homer. However, given the low population of these state groups and the rotation policies employed by many, facility utilization by these groups would be expected to annually contribute a relatively small to moderate number of facility utilization days.

Further, given the geographic location of Alaska (and consistent with the event profiles at other comparable Alaska facilities), it is not expected that groups located outside Alaska would contribute a significant amount of use days at a Homer conference center. As such, to achieve utilization levels consistent with or higher than the average comparable facility, a new Homer facility would have to generate a strong majority of its events from the local market. In general, the analysis of local Homer market conditions does not suggest that this would be likely. Overall utilization levels of a potential new Homer conference center facility would be expected to be lower than the average comparable facility, but generally consistent with other comparable Alaska communities (with facilities), such as Sitka, Ketchikan and Valdez.

Building Program and Development Options

An evaluation of the supportable facility program components and potential development scenarios was performed for a potential new Homer conference center. Analysis results indicate that a new conference center could attract a certain level of unmet market demand in the Homer area. In order to accommodate the majority of this demand, certain facility space parameters would have to be met. However, based on the level of market demand measured for such a product, it is considered unlikely that a new stand-alone conference center (i.e., publicly-owned, not attached to a hotel or other facility, etc.) could generate utilization levels consistent with or higher than the average comparable facility reviewed.

This being said, certain communities are willing to invest in convention/conference facilities that would be expected to carry excess capacity due to their importance in generating new economic activity for the local community, as well as providing a gathering place for residents. For instance, existing facilities in Sitka, Ketchikan and Valdez are generally considered "underutilized" facilities (relative to other comparable facilities located throughout the nation), but they are serving important roles in their local communities.



Conference center development options include:

- Option 1: Stand-alone Conference Center
 - Up to 10,000 multipurpose space & 3,000 breakout meeting space
 - High public sector cost (development, ongoing subsidy, capital repair)
- Option 2: Public/Private Partnership with Hotel (existing or new)
 - Public sector incentives to expand & improve existing hotel conference space or develop new hotel/conference center with a greater amount of conference space than might be otherwise planned
 - Smaller public sector investment
 - Loss of public sector control over bookings and operations
- Option 3: Joint Use Build-out with Another Public Project
 - Explore possibility of integrating a greater amount of meeting space into planned public projects (i.e., new City Hall, Library, Museum, etc.)
 - Could allow for a cost effective alternative, as well as providing public sector control over bookings, marketing and use.
- Option 4: Do Nothing

Event Levels and Costs & Benefits

The analysis suggests that a new conference center in Homer will generate a measurable amount of “new” economic spending and tax revenue in the local community. It will work to increase visitation levels and associated spending in the community, as well as providing local residents with a community resource in which to hold and attend events. Additionally, as is outlined in the report, there will also be a number of non-quantifiable, “intangible” benefits for the local community resulting from the operations of a new center. However, a stand-alone, public project will likely require substantial annual operating subsidies, along with initial construction and annual reserve funding.

A number of quantifications of estimated development scenario costs and benefits are provided within the related chapter in this report.

However, based on our understanding of the City’s objectives with respect to the Town Center project and the need for an “anchor” in the area, it is believed that public/private partnership with an existing or new hotel developer should be explored, with a preference for a Town Center proximate site. Based on analysis results, this type of project could provide the most advantageous mix of public benefits to public costs, while also fulfilling the need for a Town Center “activity anchor”.

Should preliminary planning work and discussion with developers suggest little partnering interest or too high of public investments costs, further planning and exploration of a joint use project in Town Center should be pursued.

I. Introduction

Conventions, Sports and Leisure International (“CSL”) was retained by the City of Homer, Alaska (“City”) to conduct a feasibility study to evaluate the potential development of a conference center (“Center”) in Homer’s Town Center. This report outlines the key findings associated with the analysis of local market conditions, competitive/regional facilities and communities, industry trends/characteristics, market potential, supportable facility program, event levels, financial operations, preliminary construction costs, economic impacts, funding alternatives and ownership/management options.

The envisioned Homer conference center would act as an economic generator and a public resource for the local community, hosting conventions, conferences, tradeshow, public/consumer shows, meetings and other events of both a non-local and local nature. An important goal of the facility would be to retain and attract events to the area that presently cannot be accommodated by existing facilities in the community.

The development of Homer’s Town Center has been discussed in the community for some time. The Town Square Project was launched in 1998 as a “citizen-based effort to envision and create, through inclusive community planning, an area within the Central Business District of Homer that will be a magnet for the community, provide for business development, instill a greater sense of pride in the downtown area, make Homer more pedestrian-friendly, and contribute to a higher quality of life.” The City and other community constituents are interested in identifying viable “anchors” for the overall project. As there has been recent discussion concerning the possibility of a new conference center serving as such an anchor, this study was commissioned to explore the market, financial and economic viability of the conference center project serving such a role.

Key components of the study process consisted of the following:

- Experience with more than 350 similar conference and event facility feasibility studies.
- Local market visit and site tours.
- In-person interviews/meetings with more than 30 local Homer individuals.
- Research and analysis of local market conditions and regional trends.
- Analysis of facility data from 26 identified competitive/regional and comparable facilities and interviews with facility management.



- Comparative analysis of socioeconomic data from competitive/regional and comparable facility markets.
- 35 completed interviews with meeting planners of state groups representing more than 60 events.

The overall purpose of this study is to evaluate the feasibility of a potential new Homer conference center. Oftentimes, conclusions as to project “feasibility” can be assessed in various ways, including:

- Market feasibility – the facility’s ability to attract and support levels of event activity and facility usage that are consistent with or in excess of industry standards.
- Financial feasibility – the ability of the facility to *break-even* or generate an operating profit focusing only on direct facility-related operating revenues and expenses.
- Economic spending – the facility’s ability to generate new spending activity in the local community (i.e., direct and indirect spending that is attributable to out-of-town event attendees/exhibitors that would not otherwise occur in the local area).
- Tax generation – the ability of the facility to generate new tax revenue for the local area (i.e., tax revenue resulting from direct, indirect and induced spending that is attributable to out-of-town event attendees/exhibitors that would not otherwise occur in the local area).
- Cost/benefits/return on investment – the facility’s ability to generate new revenues (i.e., from taxes, operating income and ancillary facility-related revenues, etc.) in excess of quantifiable facility-related costs (i.e., construction costs, operating costs, marketing costs, etc.).
- Intangible benefits/public good – the ability of the facility to represent an important resource for the local community, regardless of financial or economic concerns. The facility could represent an important venue option that the local community presently lacks—a benefit that it not easily quantifiable. These types of benefits add to the local community’s “quality of life” in the same way that libraries, museums and theaters do, without consideration of the economic impacts that the facility might generate.

When evaluating the feasibility of a public assembly facility, such as a conference center, communities throughout the country have differed in the specific criteria that best reflects the definition of “feasible” for their community. For instance, one community may focus more on the ability of the project to be operationally self-supportive (i.e., generate an annual financial operating profit), rather than the intangible *public good*. The research, data, information and analysis provided through this study is intended to allow the City



and other community constituents to draw their own informed conclusions concerning the *feasibility* of a potential conference center in Homer.

This report consists of the following sections:

- *Local Market Conditions Analysis* – provides information regarding the socioeconomic attributes and visitor industry resources of the Homer area. The analysis provides an indication of the community's ability to successfully accommodate conventions, tradeshow, conferences, meetings and other events.
- *Analysis of Competitive/Comparable Facilities & Communities* – provides a comparison of various physical characteristics and resources of competitive/regional facilities, as well as their host markets.
- *Analysis of Market Potential* – provides an analysis of findings associated with surveys of event planners of potential state users representing market potential for a new Homer conference center, as well as conclusions concerning potential among other event segments.
- *Building Program and Development Options Analysis* – presents an analysis of the market supportable level of sellable space, by space component, as well as key market requirements necessary to accommodate potential convention, conference, tradeshow and other market demand in Homer. Alternate development scenarios, including potential public/private partnerships, are also discussed.
- *Event Levels and Cost & Benefits Analysis* – presents an analysis quantifying the estimated event levels and primary costs and benefits associated with the potential project. A financial operating analysis of characteristics of a potential Homer conference center and a preliminary analysis including order-of-magnitude construction costs are also provided. An analysis of estimated quantifiable and non-quantifiable economic impacts is also presented.



II. Local Market Conditions Analysis

The strength of the local market, in terms of its socioeconomic attributes, can provide an indication of a community's ability to accommodate large numbers of convention, conference, tradeshow, public/consumer show and other event attendees. A community's hospitality infrastructure in terms of hotels, restaurants, entertainment and other such factors contribute heavily to the potential success of a conference facility. Likewise, the transportation accessibility of a community and its geographic proximity to bases of population also influence its ability to attract event activity and attendees. CSL conducted an analysis of these attributes as they relate to the Homer market area. The analysis of existing Homer market conditions addresses the following areas:

- Homer overview.
- Local lodging inventory.
- Existing event facilities.
- Local market issues and conclusions.

Homer Overview

Situated on AK-1, Sterling Highway, Homer is a seaside community located on the scenic Kenai Peninsula overlooking Kachemak Bay and the Kenai Mountains. Homer Spit is a long, narrow finger of land extending more than four miles into Kachemak Bay and is a signature geographic feature of the community. Commercial fishing and summer tourism are presently two of the most important sectors in Homer's economy.

Exhibit II-1 presents a summary of the approximate distance (in terms of driving miles) to Homer from key Alaskan cities.

Exhibit II-1
Driving Distance to Homer from Key Alaskan Cities

Destination	Road Miles
Soldotna	75
Kenai	81
Seward	168
Anchorage	225
Fairbanks	580
Juneau	1,072

Source: Mapquest.

Located approximately 225 road miles south of Anchorage, Homer is accessible by air, water and land, with flight, ferry and bus departures scheduled daily. Kenai, Seward and Soldotna are all within 170 drive miles of Homer and are all connected by major roadways. The Fairbanks area lies north of Anchorage by way of Alaskan Interstates AK-1 and AK-3, and is approximately 580 drive miles from Homer.

Exhibit II-2 below presents a summary of key demographic characteristics estimated for Homer, its surrounding region, the state of Alaska and a United States benchmark.

Exhibit II-2 Homer Demographics Comparison

Demographic Variable	Homer City	50-Mile Ring	100-Mile Ring	200-Mile Ring	State of Alaska	U.S.
Population (1990)	3,533	11,808	40,581	322,226	550,043	248,709,873
Population (2000)	3,946	14,577	49,481	385,153	626,932	281,421,906
Population (2004 est.)	4,367	15,317	51,611	410,842	654,052	292,936,668
% Change (1990-2004)	23.6%	29.7%	27.2%	27.5%	18.9%	17.8%
Population (2009 proj.)	4,867	16,232	54,377	443,829	689,701	307,115,866
% Change (2004-2009)	11.4%	6.0%	5.4%	8.0%	5.5%	4.8%
Avg. Household Income (1990)	\$48,138	\$50,235	\$50,843	\$52,013	\$49,586	\$38,453
Avg. Household Income (2000)	\$52,909	\$51,372	\$55,813	\$64,966	\$62,475	\$56,644
Avg. Household Income (2004 est.)	\$56,392	\$55,378	\$61,371	\$71,759	\$68,977	\$63,301
% Change (1990-2004)	17.1%	10.2%	20.7%	38.0%	39.1%	64.6%
Avg. Household Income (2009 proj.)	\$59,798	\$59,675	\$67,874	\$79,600	\$76,473	\$71,731
% Change (2004-2009)	6.0%	7.8%	10.6%	10.9%	10.9%	13.3%
Median Age (2004, in years)	41.0	40.4	38.1	34.7	34.2	36.0

Source: U.S. Census data, Claritas Inc., 2005.

As shown in the exhibit, the population of the city of Homer was approximately 4,000 in 2000. While future projections based on U.S. Census estimate city of Homer population to reach approximately 4,400 and 4,900 in 2004 and 2009, respectively, the Alaska Department of Labor recently estimated 2004 population at approximately 5,300.

The estimated population increases to over 15,000 when considering a geographic area within a 50-mile radius of Homer. The estimated population within 100 miles of Homer is approximately 52,000, while the 200-mile ring includes the relatively large population residing in Anchorage and the surrounding area, pushing the population estimate to approximately 411,000.



Population growth in Homer and the surrounding area, over the past 15 years, has been higher than that of overall state of Alaska, as well as the United States. Current statistics suggest that this trend will continue into the foreseeable future.

While population growth trends remain relatively strong, the average household income in Homer has not kept pace with the average Alaskan city, nor the average U.S. city. In 1990, the average household income in Homer was approximately \$48,000, nearly \$10,000 higher than the average U.S. household income. However, currently, Homer's average household income is estimated to approximate \$56,000, \$7,000 less than the average U.S. household income.

Homer offers a number of historical, cultural and natural attractions. Many of these attractions preserve and showcase the important history, unique cultural influences and natural beauty of the area. Originally drawing population from gold seekers, coal miners and homesteaders in the 1800's, Homer's economy has now grown relatively reliant on the commercial harvest and processing of fish, which has distinguished Homer as the commercial and transportation outlet for the entire south central region of Alaska.

Although known for its world class halibut and salmon fishing opportunities, Homer also offers many other outdoor activities including:

- Sightseeing and nature viewing
- Camping
- Hiking
- Kayaking
- Bicycling
- Beachcombing
- Sailing
- Tours showcasing marine and land wildlife

The Homer Spit is a strong asset for Homer and the surrounding area, housing a number of unique shops, galleries, restaurants and entertainment venues that attract a large number of visitors during the summer months.

There are a number of other important attractions and amenities in the area. Specifically, the Pratt Museum is the only natural history museum on the Kenai Peninsula. The museum's exhibits typically focus on art, natural history, native cultures, homesteading, fishing, marine ecology and other areas of local interest.

The Islands and Ocean Visitor Center is an interpretive, educational and research facility dedicated to the understanding and conservation of the marine environment. The new, state-of-the-art facility, located near Homer's Town Center, is operated as a partnership between the Alaska Maritime National Wildlife Refuge and the Kachemak Bay Research



Reserve. As will be subsequently discussed, the facility also integrates a limited amount of meeting space.

Other local Homer attractions include the Russian Village a number of annual summer festivals and cultural events.

Tourism in Homer has grown significantly in recent decades, due in large part to the attractiveness of these attractions and activities, as well as the natural beauty and relatively convenient accessibility of the area.

Local Lodging Inventory

The hospitality infrastructure is often an important determinant in the selection of a conference center and destination by non-local events, such as conventions, conferences and meetings. The characteristics and quantity of quality hotel properties can work to govern the number and types of non-local events attracted to communities.

There are approximately 35 hotels, motels and lodges in the greater Homer area, in addition to over 100 seasonal cabins and B&Bs. The largest property within Homer is the Land's End Resort which currently offers 62 guestrooms, in addition to a spa, restaurant and meeting/banquet space. The property currently has plans to add 18 more guestrooms by May 2005. As will be subsequently discussed, the property presently functions as Homer's primary meeting/conference facility. Although the Land's End Resort is the largest Homer lodging facility with consideration as a "full-service" property, its relatively small number of total sleeping rooms and its non-proximate location to the Town Center could limit its ability to serve as a "headquarters hotel" for a potential Homer conference center.

Other hotel properties located in Homer include the Ocean Shores Motel, Best Western Bidarka Inn and other smaller and/or seasonal properties. Overall, Homer's lodging inventory is relatively diverse and dispersed geographically throughout the town. Additional discussion concerning hotel requirements by potential non-local events and related issues will be discussed in a subsequent chapter.

Existing Event Facilities

The number of potentially competitive event facilities in the local market is an important consideration with respect to the overall viability of any potential conference facility. As such, a review of existing meeting, conference and event venues in the Homer area was conducted. This effort included in-person visits to several of these facilities at the outset of the study, as well as interviews with facility management.



Homer currently has a number of small conference/meeting and specialized event facilities. Exhibit II-3 presents a summary of primary existing Homer area event facilities.

**Exhibit II-3
Existing Homer Area Event Facilities**

Facility	Largest Contiguous Flat Floor Area (Sq Ft)	Maximum Banquet Capacity (in persons)	Total Flat Floor Sellable Area (Sq Ft)
Alaska Islands & Ocean Visitor Center (1)	500	40	1,000
Best Western Bidarka Inn	2,000	140	2,800
Heritage RV Park	750	60	750
Homer Elks Lodge	3,200	220	3,200
Homer High School (2)	10,000 (est.)	650	n/a
Homer Ice Rink	15,000	1,000	15,000
Land's End Resort	2,900	200	3,825

(1) Figures do not include a 120-seat auditorium.

(2) Figures do not include the 400-seat Mariner Theatre.

n/a: not available

Source: Industry publications, facility website information, conversations with facility management, 2005.

As presented in the exhibit, a variety of event facilities exist in the Homer area, most catering to specific niches. Depending on the facility type and focus, events accommodated include meetings, conferences, banquets, receptions, small exhibit events, spectator events and other flat floor events. While there are a variety of types of facilities, the area presently lacks a traditional convention/conference facility of the type that is being considered through this study effort.

As previously mentioned, the Land's End Resort generally represents the area's primary conference facility, offering more than 3,800 square feet of banquet and meeting space. Based on conversations with management, the facility primarily hosts local functions, such as wedding receptions, banquets, meetings and social events. While the facility does accommodate some conferences and meetings held by non-local groups, the relatively small size of the facility's meeting and banquet space (in addition to the number of hotel rooms within the property) effectively limits its ability to attract many mid and large-sized state and regional events.



In terms of total square footage, the new Homer Ice Rink represents the area's largest facility. However, ice events are expected to comprise the vast majority of use days. While some ice rink facilities of this nature across the country utilize a portable floor covering to host certain flat floor events (on the ice surface), the Homer Ice Rink does not presently have such a capability. Further, even under a situation where such a covering would be available in the future, it is likely that there would be limitations in the number of dates that would be available for flat floor events, such as public/consumer shows, exhibitions and conferences. Additionally, most state conventions, conferences and meetings tend to prefer the finish, functionality and amenities of more traditional convention and conference venues.

Homer High School also is presently rented to groups for meetings, conferences and special events. Most of these events tend to be local in nature. The gymnasium offers an estimated 10,000 square feet, which can accommodate roughly 650 people and the Mariner Theatre seats approximately 400. There are also other smaller areas within the school that have been rented out on occasion. While the Theatre represents an attractive and functional venue for performing arts, speakers, concerts and school functions, the other areas within the School pose some of the same challenges as the with respect to attracting and accommodating traditional conventions, conferences and meetings, as do some of the other existing venues in Homer (i.e., date availability, limited traditional event amenities and functionality, lack of nearby hotel rooms, etc.).

As previously mentioned, the Islands and Ocean Center is a new, state-of-the-art interpretive educational and research facility. It possesses several small meeting rooms that are both used internally and rented to outside groups. Additionally, it possesses a 120-seat auditorium (with tiered-level flooring). The size and availability of the overall space offerings at the facility limit its ability to effectively accommodate conventions, conferences and banquets.

The remaining local facilities consist of smaller meeting venues associated with hotel properties that offer banquet and/or meeting space. In general, the size of the event space limits their ability to host groups larger than 220 persons. While many of these facilities have been serving Homer and its local residents and groups well over the years, most of these facilities lack the traditional finish, functionality and space requirements demanded by many non-local groups with conventions, conferences and meetings.



Local Market Issues and Conclusions

Based on the analysis performed and with regard to local market conditions, key strengths and weaknesses of Homer, as they relate to a potential conference center, are summarized below.

Strengths

- Picturesque location
- Seasonal tourist amenities (i.e., Homer Spit boardwalk of shops, restaurants, entertainment)
- Year-round outdoor recreational activities (i.e., fishing, camping, hiking, kayaking, sailing, etc.)
- Historic, cultural & arts attractions (i.e., Pratt Museum, Islands & Oceans, Summer Music Festival, various art galleries, etc.)
- Driving proximity to Anchorage and other Kenai Peninsula markets

Weaknesses

- Number of quality hotel rooms
- Limited size of largest hotel properties
- Dispersed nature of hotel inventory
- Air accessibility
- While within driving proximity of Anchorage, drive time is significant
- Number of visitor amenities and attractions (i.e., entertainment options, restaurants, etc.)
- Seasonal nature of tourism
- Small resident population



III. Analysis of Competitive/Comparable Facilities & Communities

This chapter provides a review of the various physical characteristics of competitive and comparable facilities and the socioeconomic composition of their host communities. The information detailed herein will assist in the evaluation of the convention and conference facilities that could provide primary competition to a potential Homer conference center. Numerous factors are considered by association, corporate and other types of event planners in determining the ability of a community to be suitable for convention, conference, meeting and other events. This chapter identifies and comparatively evaluates a number of these key factors associated with competitive and comparable facilities and their host communities.

Competitive/Regional Facilities and Host Communities

Initially, a review of convention and conference venues located within the state of Alaska was conducted. Based on industry data and discussions with facility and convention & visitor organization representatives, the table below presents the 12 facilities in eight markets throughout the state that were identified for this analysis. These competitive facilities represent venues that could potentially be competitive with a potential Homer conference center with respect to one or more key event segments (i.e., state/regional associations, SMERF [social, military, educational, religious, fraternal] groups, corporate events, etc.).

Market	Facility
Anchorage, AK	William A. Egan Civic and Convention Center
Anchorage, AK	Hilton Anchorage
Anchorage, AK	Sheraton Anchorage Hotel
Fairbanks, AK	The Carlson Center
Fairbanks, AK	Pioneer Park
Fairbanks, AK	Westmark Hotel Fairbanks
Girdwood, AK	Alyeska Prince Hotel
Juneau, AK	Centennial Hall Convention Center
Ketchikan, AK	Ted Ferry Civic and Convention Center
Soldotna, AK	Soldotna Sports Center
Valdez, AK	Valdez Convention and Civic Center
Sitka, AK	Sitka Harrigan Centennial Hall



Interviews were conducted with management of the aforementioned competitive/regional facilities to obtain information concerning the characteristics of facility space, usage and functionality.

The Egan Convention Center in Anchorage and the Carlson Center in Fairbanks represent convention centers that are generally comparable to many similar venues in small to mid-sized cities located throughout the country. A primary objective of facilities of this nature is to attract conventions, conferences and tradeshow with high levels of non-local attendees/exhibitors and associated hotel room nights. As an example, the Egan Convention Center typically hosts several hundred events per year, including approximately 20 conventions and 20 tradeshow. Even in a market as large as Anchorage, the majority of these convention and tradeshow events represent in-state groups (primarily association, corporate and SMERF events). This is believed to be heavily influenced by Alaska's geographic location relative to the lower 48 states.

Four other facilities reviewed in the competitive/regional set represent hotel conference centers (i.e., Hilton Anchorage, Sheraton Anchorage, Westmark Hotel Fairbanks, and Alyeska Prince Hotel). These facilities also host a wide variety of events, including corporate meetings/conferences/banquets, association conferences/meetings, wedding receptions and other such events.

With the exception of the Soldotna Sports Center (which is primarily a spectator/ice venue), most of the remaining facilities are located in smaller markets and represent multipurpose civic/convention facilities. Based on interviews with facility management, most of these smaller market facilities possess much more limited usage than traditional convention facilities located in Anchorage, Fairbanks and in other larger cities throughout the country. Examples include:

- Ketchikan – The Ted Ferry Civic and Convention Center only hosts on average five large events per year, 40 events that have durations longer than one day and only 25 percent of all events could be considered “non-local”(i.e., majority of event attendees residing outside the local area).
- Sitka – The Harrigan Centennial Center is host to a generally high number of small local events and activities, with only five percent being considered “non-local.”
- Soldotna – The majority of events hosted by the Soldotna Sports Center are ice-related, with only approximately 20 events annually representing flat floor events such as tradeshow, consumer shows and conferences. It is estimated that approximately 25 percent of these flat floor events could be considered “non-local”.



Of the interviewed facilities that were willing to share financial operating information, all generate a relatively large annual operating deficit. Recent year financial operating deficits that were reported include:

- Harrigan Centennial Hall, Sitka (\$330,000)
- Ted Ferry Civic & Convention Center, Ketchikan (\$275,000)
- Valdez Convention & Civic Center, Valdez (\$270,000)

The large majority of stand-alone convention centers located throughout the country operate at a financial operating deficit, requiring some form of ongoing subsidy for operations (i.e., City General Fund transfers, hotel/motel tax, sales tax, etc.). On a per square footage basis, the operating deficits indicated above are consistent with or slightly larger than other comparable facilities reviewed for this and other similar studies. It is believed that this is influenced by lower than average event levels and utilization at these small market facilities.

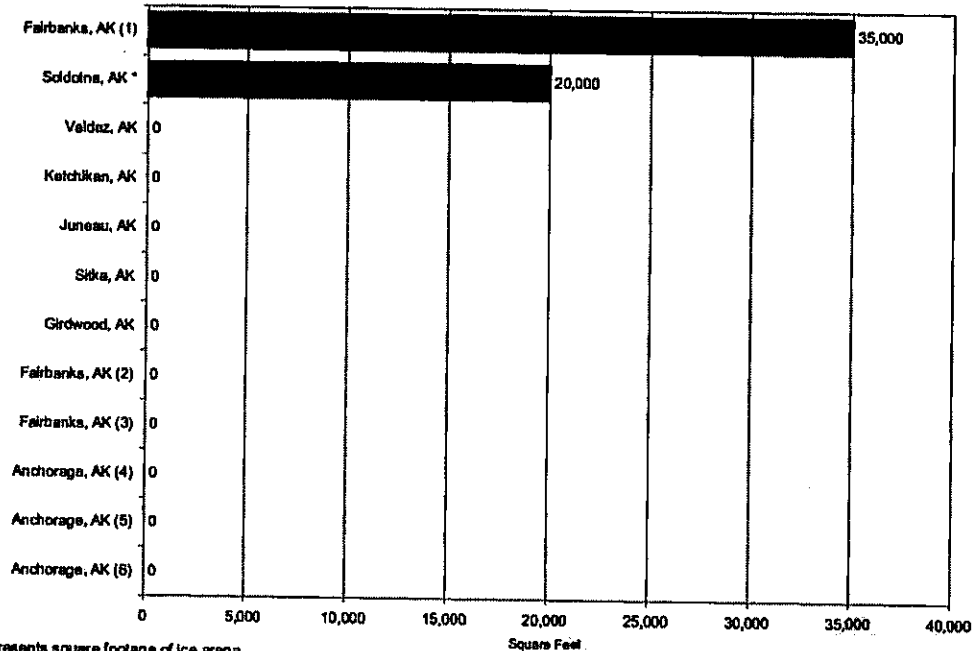
Additional discussion concerning the potential financial operations and related event and operational issues surrounding a potential new Homer conference center will be discussed in a subsequent chapter of this report.

Exhibit Space

There are two types of exhibit space offered at traditional convention and conference centers: prime space and gross space. Prime space refers to the dedicated exhibition area that is column-free or with minimal columns, has high ceilings, utility grids and other such amenities. Additionally, most prime exhibit space offered in convention centers throughout the country incorporate a concrete floor surface (rather than carpet, for instance). Gross space refers to the total area that can be used for exhibits and includes surrounding areas such as lobbies, meeting space, ballrooms and other such space. Throughout the remaining analyses, any mention of exhibit space will be referring to prime exhibit space.

Exhibit III-1, presented on the following page, provides a comparison of total (prime) exhibit space offered at the competitive and regional facilities reviewed.

**Exhibit III-1
Comparison of Total Exhibit Space – Competitive/Regional Facilities**



* Represents square footage of ice arena
 (1) The Carlson Center
 (2) Westmark Hotel Fairbanks
 (3) Pioneer Park
 (4) Sheraton Anchorage Hotel
 (5) Hilton Anchorage
 (6) William A. Egan CC
 Source: Facility management and industry publications, 2004.

As presented, only two of the competitive/regional facilities reviewed incorporate prime exhibit space. The remaining facilities incorporate a mix of other spaces, including ballrooms, breakout meeting rooms and multipurpose space. It is important to note that many of these facilities accommodate light exhibits and “table-top” exhibits in these other facility areas. As an example, the Egan Civic & Convention Center’s primary hall is a multipurpose, carpeted hall (defined for purposes of this study as “ballroom/multipurpose space”) that has the flexibility to accommodate a wide variety of functions, including exhibits, general assemblies, banquets and meetings.

The Carlson Hotel in Fairbanks incorporates the largest amount of exhibit space (of the two with exhibit space), with approximately 35,000 square feet. The flat floor area within the ice arena of the Soldotna Sports Center offers approximately 20,000 square feet of exhibit space, but as previously mentioned, use of this space for traditional exhibit activities has been relatively limited in the past due to date availability and other functional/operational constraints.

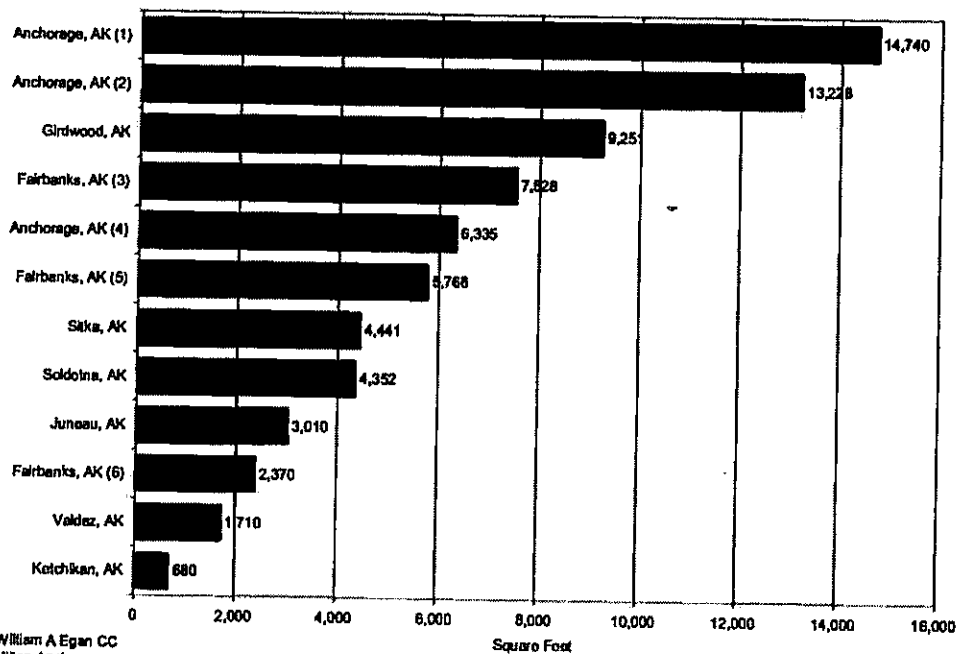


Meeting and Ballroom/Multipurpose Space

Sufficient, modern breakout meeting and ballroom/multipurpose space is very important in attracting and accommodating events in the conference, convention, and meetings industry. Event organizers see it as an important factor in their selection of host cities. The inclusion of some meeting/ballroom/multipurpose space is typically necessary to allow the facility to compete for important economic impact generating events with attendees originating from outside the local area.

Exhibit III-2 compares the square feet of meeting space offered at the competitive/regional facilities reviewed.

**Exhibit III-2
Comparison of Total Meeting Space – Competitive/Regional Facilities**



(1) William A Egan CC
 (2) Hilton Anchorage
 (3) Westmark Hotel Fairbanks
 (4) Sheraton Anchorage Hotel
 (5) Pioneer Park
 (6) The Carlson Center
 Source: Facility management and industry publications, 2004.

As shown in the exhibit, the level of meeting space is broadly distributed among the centers, ranging from 14,700 square feet at the William A. Egan Civic and Convention Center in Anchorage to 700 square feet of meeting space at the Ted Ferry Civic and Convention Center in Ketchikan. Half of the facilities incorporate 5,000 square feet or

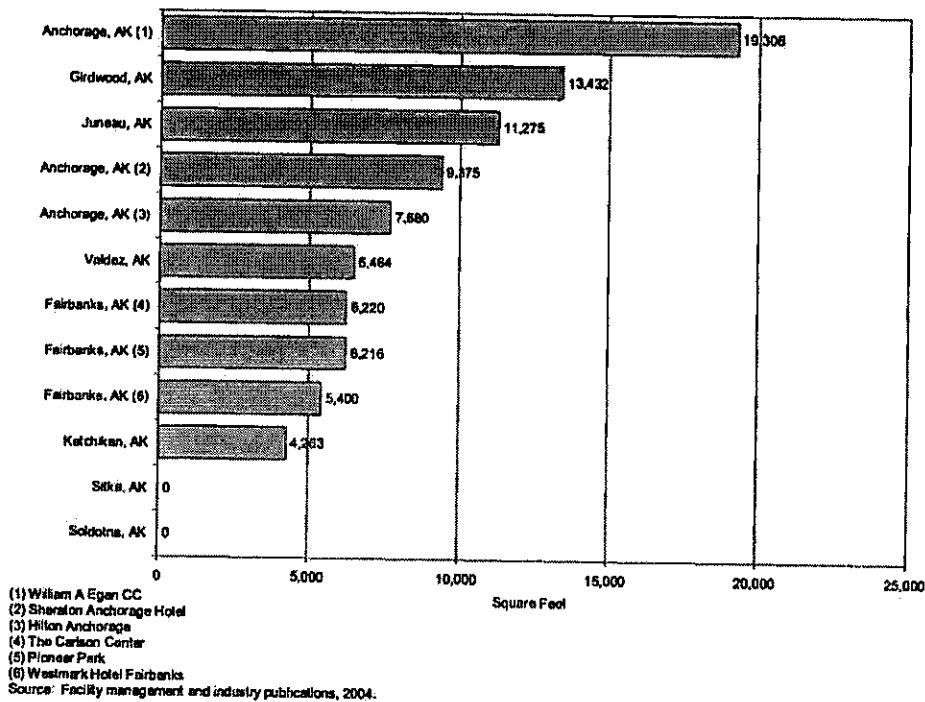


less, of breakout meeting space. Among the facilities reviewed, an average of approximately 6,100 square feet of meeting space is provided, while the median is approximately 5,100 square feet.

Typically the most flexible of facility spaces, ballroom/multipurpose space is an important characteristic that event planners review when selecting a potential facility. Planners have increasingly placed a premium on such space in their selection of host cities. Development of dedicated, state-of-the-art ballroom space has taken place in many recently-built centers, while many older centers do not offer dedicated ballroom/multipurpose space. Civic, exhibition or public show-focused facilities tend to have more limited offerings of such space.

Exhibit III-3 compares the square footage of ballroom/multipurpose space offered among the competitive/regional facilities.

**Exhibit III-3
Comparison of Total Ballroom/Multipurpose Space – Competitive/Regional Facilities**



As presented, the William A. Egan Civic and Convention Center in Anchorage offers the most ballroom/multipurpose space with approximately 19,300 square feet. Of the ten facilities offering such space, approximately 9,000 square feet is offered on average and the median square footage is approximately 7,100. Two facilities offer no dedicated

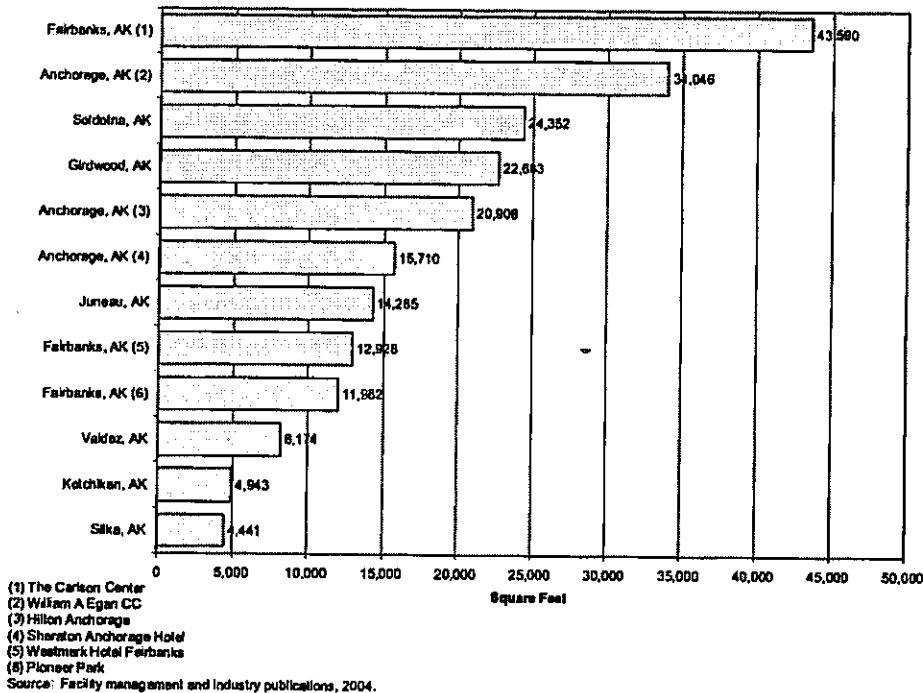


ballroom/multipurpose space. As will be shown in a subsequent chapter, interviews with state and regional event planners indicate that a significant percentage require or prefer a dedicated ballroom/multipurpose space for food functions and certain assemblies.

Total Sellable Space

Exhibit III-4 details the rankings of the competitive/regional facilities set analyzed in terms of total sellable space (which includes exhibit, meeting and ballroom/multipurpose space).

**Exhibit III-4
Comparison of Total Sellable Space – Competitive/Regional Facilities**



As outlined above, the amount of total sellable space offered at the competitive/regional facilities reviewed varies widely, averaging nearly 18,200 square feet. The largest facility in terms of total sellable space is Fairbanks’ Carlson Center, with nearly 43,600 total sellable square feet. The Sitka Harrigan Centennial Hall offers the least total sellable space, with approximately 4,400 square feet.



The characteristics and mix of the sellable space offerings within each of these selected competitive/regional facilities underscores the importance of offering a sufficient *volume* and *mix* of functional facility spaces for convention, conference and meeting events

Demographic and Socioeconomic Market Characteristics

A component in assessing the potential success of a new conference center in Homer is the demographic and socioeconomic profile of the local market. The strength of a market in terms of its ability to draw events, attendees and visitors is measured in part by the size of the market area population and its spending characteristics. To gain an understanding of the relative strength of the Homer market area, it is useful to compare various demographic and socioeconomic characteristics among the competitive/regional markets supporting similar venues.

For this analysis, the market demographics of the Homer area and the markets hosting the competitive/regional facilities that were selected for review have been evaluated using 50-, 100- and 200-mile concentric rings around the midpoint of each market. The primary market has been defined as the population within 50-miles of the respective facility, while the secondary markets have been defined as the area within 100- and 200-miles of each facility. For comparative purposes, the 50-mile, 100-mile and 200-mile radii are presented in this analysis. It is important to note that these mileage measurements do not refer to "driving miles", but rather "geographic miles".

Anchor Point and Seldovia represent the communities within a 50-mile radius of Homer's center. Homer's 100-mile ring captures the communities of Kenai, Soldotna and Seward, and its 200-mile ring captures all of the Kenai Peninsula and the Anchorage metropolitan area. Taken together, these market areas represent a significant extended population base from which to potentially draw events and attendees to a Homer conference center. As the majority of events hosted in comparable conference center facilities throughout the country represent events that are local in nature and/or events that draw from a close driving proximity, the population within driving distance to Homer will be an important determinant in the utilization and attendance profile of any new conference facility.



Population

Exhibit III-5 shows the population within a 50-, 100- and 200-mile radius of each of the competitive/regional markets' center of town, and the county population for which the market resides within.

**Exhibit III-5
Comparison of Total Population – Competitive/Regional Markets**

<u>Market</u>	<u>County Population</u>	<u>50-mile Population</u>	<u>100-mile Population</u>	<u>200-mile Population</u>
Anchorage, AK	274,500	340,667	382,627	407,343
Girdwood, AK	274,500	336,005	386,229	406,204
Fairbanks, AK	86,100	86,787	92,337	99,511
Soldotna, AK	51,800	35,539	378,912	416,210
Juneau, AK	30,900	32,355	45,843	52,489
Ketchikan, AK	13,300	15,759	21,056	34,442
Homer, AK	51,800	15,317	51,611	410,842
Sitka, AK	8,900	9,437	46,073	70,148
Valdez, AK	10,200	6,752	85,898	407,344
Average (Excluding Homer)	93,775	107,913	179,872	236,711

Sorted by 50-mile population

Source: Claritas Inc., U.S. Census data, Sales & Marketing Management, 2004.

As shown, the population within a 50-mile radius of the markets analyzed ranged from a low of 6,800 in Valdez, to a high of 340,700 in Anchorage. The overall average population within a 50-mile radius (excluding Homer) approximates 108,000. This compares to 15,300 for Homer. Within a 100-mile radius, the population ranges from a low of 21,000 in Ketchikan, to a high of 386,200 in Girdwood and a market average (excluding Homer) of 179,900. The population within 100 miles of Homer is approximately 51,600. Within a 200-mile radius, the population ranges from 416,200 in Soldotna to 34,400 in Ketchikan. Nearly 410,800 people reside within 200 miles of Homer. The overall average population within a 200-mile radius approximates 236,700.

Overall, Homer ranks below the average for all measurements of population with the exception of the 200-mile radius. This suggests that the success of any new Homer conference center will be, at least, partially dependent on its ability to draw events and attendees from its secondary market (i.e., from Anchorage). From this perspective, it is believed that Homer's proximity to Anchorage could be considered more advantageous than other geographically-isolated Alaskan cities, such as Sitka and Ketchikan.



Households

Similar to population, the number of households in a specific market can impact the attractiveness of facility development in relation to potential events and attendance levels at a new event facility. Exhibit III-6 shows the number of households within a 50-, 100- and 200-mile radius of the competitive/regional markets.

**Exhibit III-6
Comparison of Total Households – Competitive/Regional Markets**

<u>Market</u>	<u>50-mile Households</u>	<u>100-mile Households</u>	<u>200-mile Households</u>
Anchorage, AK	122,631	138,376	148,128
Girdwood, AK	121,073	139,712	147,671
Fairbanks, AK	31,614	33,607	36,519
Soldotna, AK	13,163	137,627	150,578
Juneau, AK	12,194	17,474	20,133
Ketchikan, AK	6,057	8,159	13,257
Homer, AK	6,004	19,365	148,442
Sitka, AK	3,561	17,442	26,901
Valdez, AK	2,646	29,669	148,054
Average (Excluding Homer)	39,117	65,258	86,405

Sorted by 50-mile households
Source: Claritas Inc., 2004.

The number of households within a 50-mile radius of the respective markets ranges from a low of approximately 2,600 in Valdez, to a high of nearly 122,600 in Anchorage. The overall average number of households (excluding Homer) within a 50-mile radius is approximately 39,100. As the number of households typically closely correlates with population, the ranking of communities within each of the ring measurements is generally consistent with that measured under the previous population exhibit.

Disposable Income

Average disposable income reflects total earned income in a community divided by its number of households. This statistical figure can be valuable when evaluating consumer capacity and propensity to expend personal income on goods and services and, ostensibly, attending or producing certain events/activities at public assembly facilities, such as a conference center. Exhibit III-7 presents the average disposable incomes within a 50-, 100- and 200-mile radius of the competitive/regional markets.

Exhibit III-7
Comparison of Disposable Income – Competitive/Regional Markets

<u>Market</u>	<u>50-mile Income</u>	<u>100-mile Income</u>	<u>200-mile Income</u>
Juneau, AK	\$63,127	\$60,519	\$59,288
Girdwood, AK	\$61,622	\$60,449	\$59,720
Anchorage, AK	\$61,462	\$60,416	\$59,681
Valdez, AK	\$57,125	\$64,563	\$59,634
Sitka, AK	\$56,823	\$60,688	\$57,378
Fairbanks, AK	\$54,582	\$54,199	\$53,061
Soldotna, AK	\$52,721	\$60,394	\$59,767
Ketchikan, AK	\$52,609	\$50,916	\$52,724
Homer, AK	\$46,908	\$51,515	\$59,803
Average (Excluding Homer)	\$57,509	\$59,018	\$57,657

Sorted by: 50-mile income
Source: Claritas Inc., 2004.

As shown above, the average disposable income within a 50-mile radius of Homer is approximately \$46,900. Within a 50-mile radius, the average disposable income of the competitive/regional markets (excluding Homer) is \$57,500. Likewise, within a 100-mile radius, Homer's average disposable income is estimated at approximately \$51,500, an amount lower than the average market. When the radius is extended to 200 miles, the average disposable income for the competitive/regional markets (excluding Homer) slightly decreases to approximately \$57,700, which is roughly \$2,000 less than Homer's 200-mile disposable income of \$59,800.

Demographic and Socioeconomic Summary

Exhibit III-8 summarizes the comparative demographic and socioeconomic statistics reviewed under this analysis.

**Exhibit III-8
Summary of Demographic Data – Competitive/Regional Markets**

Demographic Variable	HOMER	Rank (out of 9)	Market Average	Market High	Market Low
County Population	51,800	4	93,775	274,500	8,900
50-Mile Analysis					
Population	15,317	7	107,913	340,667	6,752
Households	6,004	7	39,117	122,631	2,646
Average Disposable Income	\$46,908	9	\$57,509	\$63,127	\$46,908
100-Mile Analysis					
Population	51,611	6	179,872	386,229	21,056
Households	19,365	6	65,258	139,712	8,159
Average Disposable Income	\$51,515	8	\$59,018	\$64,563	\$50,916
200-Mile Analysis					
Population	410,842	2	236,711	416,210	34,442
Households	148,442	2	86,406	150,578	13,257
Average Disposable Income	\$59,803	1	\$57,657	\$59,803	\$52,724

Note: Market averages exclude Homer figures.
Source: Claritas Inc.; Sales and Marketing Management.

In general, Homer ranks in the bottom portion of the competitive/regional facility markets in a number of demographic and socioeconomic characteristics with respect to its primary geographic market (i.e., within a 50-mile radius ring around the town center). Homer's ranking improves slightly under the 100-mile analysis, while rising to one of the leading markets when considering the 200-mile ring.

As previously mentioned, the results of this analysis suggest that the success of a potential Homer conference center will rest partially on its ability to attract events and attendees from its secondary market (i.e., 200-mile ring). Importantly, the results of the survey of event planners (as presented in the subsequent chapter) address the willingness of potential event planners and their groups' delegates to travel from Anchorage and other surrounding areas to Homer for a potential future event.



Comparable Facilities and Host Communities

In addition to the analysis of competitive/regional event facilities and host communities, an analysis was conducted considering comparable facilities in similarly-sized market located throughout the country. The intent of this type of analysis is to evaluate the physical and operational characteristics of conference/convention facilities located in similar markets, with the intent of being able to draw certain inferences concerning a potential new Homer conference facility.

The facilities selected as comparable facilities were chosen due to similarities with one or more aspects of the proposed Homer facility and/or the Homer community. In particular, many of the facilities are located in smaller markets in relatively geographically isolated areas. Operational data was obtained and analyzed from these facilities and host communities to assist in the understanding of the operational characteristics of similar facilities. The selected facilities are listed below.

<u>Market</u>	<u>Facility</u>
Bloomington, IN	Bloomington Convention Center
Brookings, SD	Swiftel Center
Decatur, IL	Decatur Civic Center
Dubuque, IA	Five Flags Civic Center
Florence, SC	Florence City-County Civic Center
Grand Junction, CO	Two Rivers Convention Center
Helena, MT	Helena Civic Center
Lebanon, MO	Cowan Civic Center
Montrose, CO	Montrose Pavilion
New Bern, NC	New Bern Riverfront Convention Center
Quincy, IL	Oakley-Lindsay Civic Center Complex
Statesville, NC	Statesville Civic Center
Watertown, SD	Watertown Event Center
West Plains, MO	West Plains Civic Center

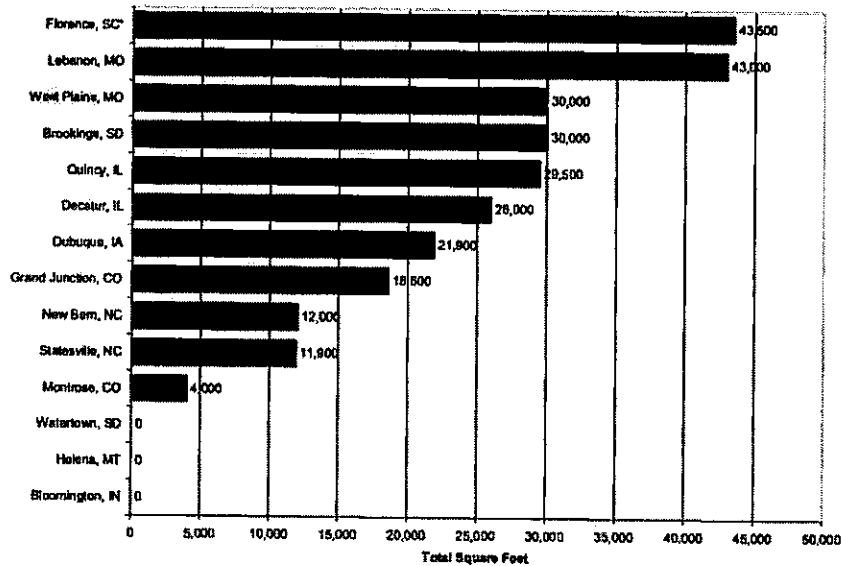
A commonality noted with the vast majority of the facilities analyzed is the *flexibility* and *functionality* of their space offerings. The facilities are a mix of “civic-oriented” and “convention-oriented” buildings, catering to a wide variety of local and non-local events. Nearly all the facilities offer flexible, subdividable exhibit space, in addition to other functional areas, such as breakout meeting rooms and ballroom/banquet/multipurpose rooms.



Exhibit Space

Exhibit III-9 provides a comparison of total prime exhibit space offered at the comparable facilities reviewed under this analysis.

**Exhibit III-9
Comparison of Total Exhibit Space – Comparable Facilities**



* Florence facility includes 29,000 sq ft of arena flat space
Source: Facility management and industry publications, 2004.

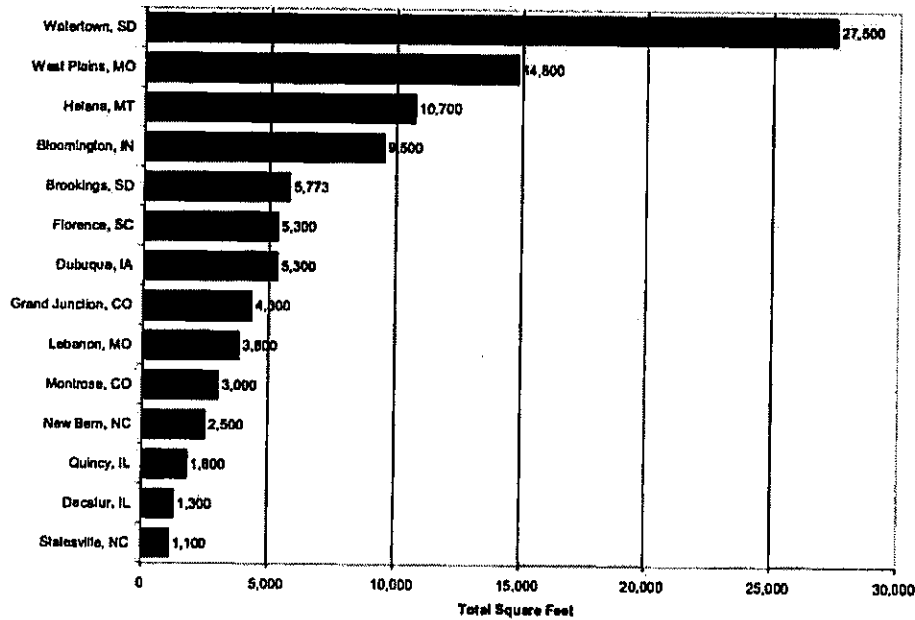
As presented, the Florence City-County Civic Center hosts the largest amount of exhibit space among the comparable facilities with approximately 43,500 square feet, which includes a 29,000 square foot arena flat space. Unlike the competitive facilities in which only two facilities offered exhibit space, most all of the selected comparable facilities integrate dedicated exhibit space. The average exhibit space offered by the facilities with exhibit space is 24,600 square feet.



Meeting/Ballroom Space

Exhibit III-10 compares the square footage of breakout meeting space offered at the comparable facilities.

**Exhibit III-10
Comparison of Total Meeting Space – Comparable Facilities**



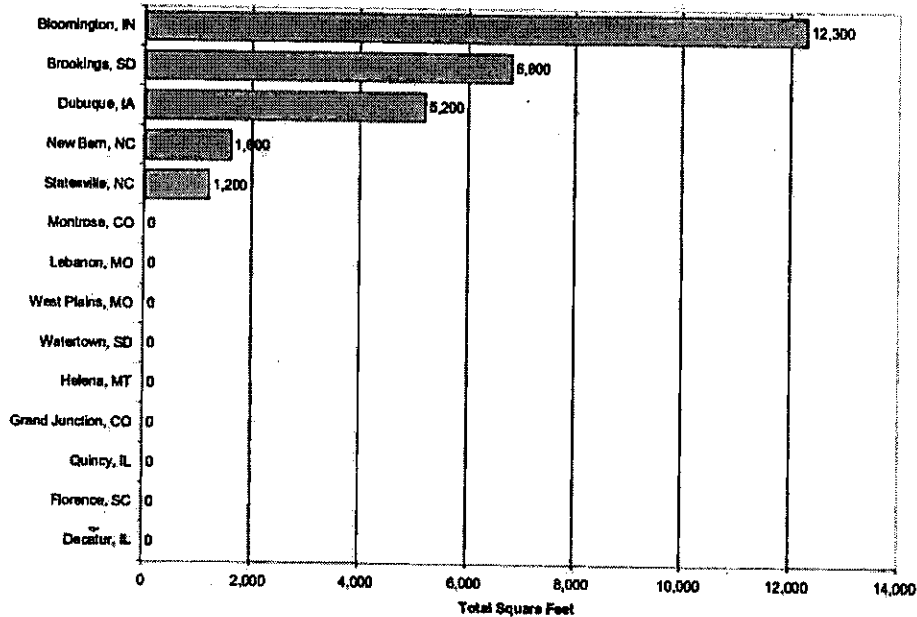
Source: Facility management and industry publications, 2004.

As shown in the exhibit, the level of breakout meeting space is widely distributed among the centers, ranging from 1,100 square feet at the Statesville Civic Center in North Carolina to 27,500 square feet of meeting space at the South Dakota Watertown Event Center. Among facilities reviewed, an average of approximately 6,900 square feet of meeting space is provided, while the median is approximately 4,800 square feet.



Exhibit III-11 compares the square footage of ballroom/multipurpose space offered among the comparable facilities.

**Exhibit III-11
Comparison of Total Ballroom/Multipurpose Space – Comparable Facilities**



Source: Facility management and industry publications, 2004.

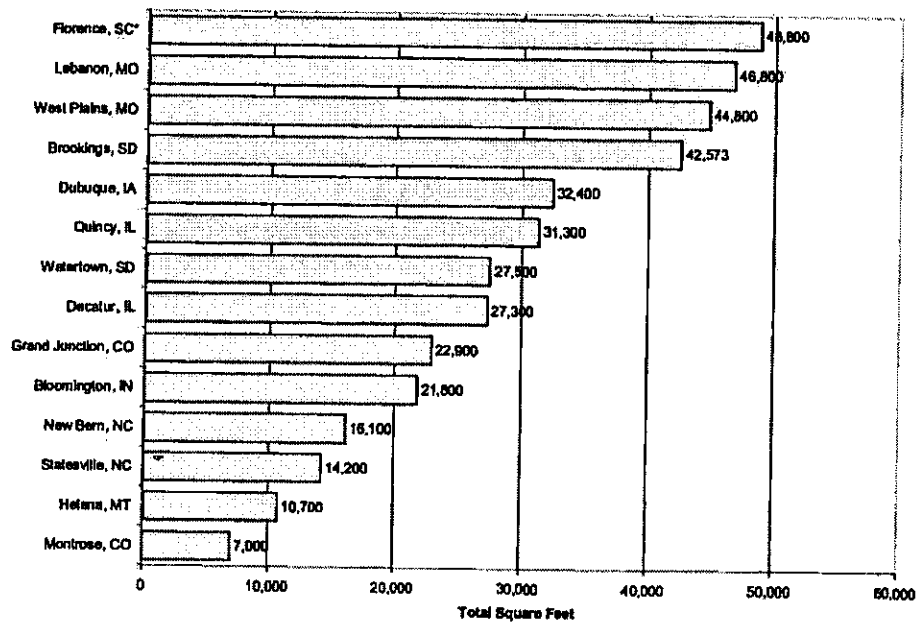
As shown in the exhibit, only five of the comparable facilities reviewed offer ballrooms or other similar multipurpose space. Offering the most such space is the Bloomington Convention Center in Indiana, with approximately 12,300 square feet. Of the five facilities offering ballroom/multipurpose space, approximately 5,400 square feet is integrated on average and the median square footage is approximately 5,200. Nine facilities offer no dedicated ballroom/multipurpose space. As will be shown in a subsequent chapter, interviews with state event planners indicate that a significant percentage require or prefer a dedicated ballroom or similarly-upscale multipurpose space for food functions and certain assemblies.



Total Sellable Space

Exhibit III-12 lists the comparable facilities analyzed in terms of total sellable space (which includes exhibit, meeting and ballroom/multipurpose space).

**Exhibit III-12
Comparison of Total Sellable Space – Comparable Facilities**



* Florence facility includes 20,000 sq ft of arena flat space
Source: Facility management and industry publications, 2004.

The amount of total sellable space offered at the selected comparable facilities reviewed widely ranges. The facility offering the smallest amount of total sellable space is the Montrose Pavilion, located in Montrose, Colorado, with only 7,000 square feet. The largest facility in terms of total sellable space is the Florence City-County Civic Center in Florence, South Carolina, with approximately 48,800 total sellable square feet, which includes a 29,000 square foot flat floor arena space. The average and median of the selected facilities dedicated sellable space is 28,200 and 27,400 square feet, respectively.



Demographic and Socioeconomic Market Characteristics

As with the competitive/regional markets, a similar comparative analysis was conducted concerning the demographic and socioeconomic characteristics of the selected comparable markets.

Population

Exhibit III-13 shows the population within a 50-, 100- and 200-mile radius of each of the comparable markets' center of town, and the county population for which the market resides within.

**Exhibit III-13
Comparison of Total Population – Comparable Markets**

<u>Market</u>	<u>County Population</u>	<u>50-mile Population</u>	<u>100-mile Population</u>	<u>200-mile Population</u>
Statesville, NC	134,800	2,600,046	5,989,367	16,851,073
Bloomington, IN	121,900	1,560,481	5,106,439	23,006,093
Decatur, IL	109,800	843,873	2,458,190	22,186,638
Florence, SC	128,600	695,913	4,404,309	13,810,617
New Bern, NC	91,500	608,920	1,894,640	9,498,292
Lebanon, MO	32,800	438,657	1,530,451	10,144,474
Dubuque, IA	89,900	329,255	2,972,449	19,702,810
Quincy, IL	67,200	248,341	2,070,957	11,235,253
West Plains, MO	37,400	188,756	1,298,430	10,035,181
Grand Junction, CO	125,000	162,145	321,156	3,532,727
Brookings, SD	28,600	142,701	639,816	5,693,192
Helena, MT	57,500	110,396	418,909	897,951
Watertown, SD	25,900	103,815	559,211	5,114,469
Montrose, CO	36,500	82,276	411,242	4,419,281
Homer, AK	51,800	15,317	51,611	410,842
Average (Excluding Homer)	77,671	542,059	2,148,255	11,152,004

Sorted by 50-mile population

Source: Claritas Inc., U.S. Census data, Sales & Marketing Management, 2004.

Within the 50-mile population figures, Statesville, North Carolina has highest with roughly 2,600,000 residents, comparing to Homer's 50-mile population of 15,300. Other than "county population", Homer's population statistics are lower than each of the selected comparable markets possessing conference facilities. More than anything else, this low ranking is largely a function of the unique geographic and demographic profile of Alaska and its communities. In general, it is difficult to identify other areas within the country



that match these characteristics. Nevertheless, this information (in conjunction with the acknowledgment of nearby competitive venues affecting each of these markets) provides indications of the relationship between population and event/attendee levels of local events at conference/convention facilities that should be considered.

Households

Similar to population, and as mentioned in the competitive facilities analysis, the number of households a market possesses impacts the attractiveness of the market and facility in relation to its capability of hosting potential events. Exhibit III-14 presents the number of households within a 50-, 100- and 200-mile radius of the comparable markets. Homer is again smaller than each of the comparable facilities and their respective primary and secondary markets, with 6,000 households in their 50-mile ring (primary market), compared to the average of the comparable markets (not including Homer) with 227,000 households.

**Exhibit III-14
Comparison of Total Households – Comparable Markets**

<u>Market</u>	<u>50-mile Households</u>	<u>100-mile Households</u>	<u>200-mile Households</u>
Statesville, NC	1,020,398	2,369,042	6,621,416
Bloomington ,IN	609,327	2,005,643	8,833,124
Decatur, IL	336,540	965,693	8,383,624
Florence, SC	261,873	1,684,629	5,361,891
New Bern, NC	232,789	733,239	3,661,883
Lebanon, MO	174,247	603,676	3,969,874
Dubuque, IA	127,552	1,173,943	7,402,129
Quincy, IL	95,970	806,015	4,399,692
West Plains, MO	78,705	520,236	3,904,851
Grand Junction, CO	63,619	126,201	1,329,601
Brookings, SD	55,698	249,385	2,203,737
Helena, MT	44,895	169,717	355,612
Watertown, SD	41,195	221,293	1,983,199
Montrose, CO	33,100	162,221	1,687,922
Homer, AK	6,004	19,365	148,442
Average (Excluding Homer)	226,851	842,210	4,292,754

Sorted by 50-mile households
Source: Claritas Inc., 2004.



Disposable Income

Exhibit III-15 presents the average disposable incomes within a 50-, 100- and 200-mile radius of the comparable markets.

**Exhibit III-15
Comparison of Disposable Income – Comparable Markets**

<u>Market</u>	<u>50-mile Income</u>	<u>100-mile Income</u>	<u>200-mile Income</u>
Statesville, NC	\$47,473	\$43,937	\$41,889
Homer, AK	\$46,908	\$51,515	\$59,803
Decatur, IL	\$44,970	\$43,254	\$50,796
Montrose, CO	\$43,417	\$46,980	\$55,504
Bloomington, IN	\$43,288	\$46,444	\$47,066
Grand Junction, CO	\$41,434	\$47,275	\$56,642
Brookings, SD	\$40,568	\$41,394	\$49,773
Dubuque, IA	\$40,310	\$44,470	\$51,748
Watertown, SD	\$38,607	\$41,304	\$49,790
New Bern, NC	\$38,606	\$39,682	\$44,118
Helena, MT	\$37,701	\$38,000	\$37,918
Quincy, IL	\$36,982	\$45,522	\$45,656
Lebanon, MO	\$36,442	\$37,994	\$43,975
Florence, SC	\$35,632	\$44,329	\$43,433
West Plains, MO	\$31,501	\$35,751	\$42,670
Average (Excluding Homer)	\$39,781	\$42,595	\$47,213

Sorted by: 50-mile income
Source: Claritas Inc., 2004.

As shown in the exhibit, while ranking low on the list of competitive/regional markets, Homer ranks near the top of comparable markets in terms of average disposable income. Relative to these markets reviewed, this is a positive indication of the capacity and propensity of local residents to expend money on discretionary activities, such as attending entertainment, recreation and leisure events and activities.

Demographic and Socioeconomic Summary

Exhibit III-16 summarizes the comparative demographic and socioeconomic statistics reviewed under this analysis.

**Exhibit III-16
Summary of Demographic Data – Comparable Markets**

Demographic Variable	HOMER	Rank (out of 15)	Market Average	Market High	Market Low
County Population	51,800	10	77,671	134,800	25,900
50-Mile Analysis					
Population	15,317	15	542,059	2,600,046	15,317
Households	6,004	15	226,851	1,020,398	6,004
Average Disposable Income	\$46,908	2	\$39,781	\$47,473	\$31,501
100-Mile Analysis					
Population	51,611	15	2,148,255	5,989,367	51,611
Households	19,365	15	842,210	2,369,042	19,365
Average Disposable Income	\$51,515	1	\$42,595	\$51,515	\$35,751
200-Mile Analysis					
Population	410,842	15	11,152,004	23,006,093	410,842
Households	148,442	15	4,292,754	8,833,124	148,442
Average Disposable Income	\$59,803	1	\$47,213	\$59,803	\$37,918

Note: Market averages exclude Homer figures.
Source: Claritas Inc.; Sales and Marketing Management.

Overall, the comparative demographic and socioeconomic analysis indicates that, relative to other small markets housing convention/conference facilities, Homer may have some challenges with respect to attracting events and attendees from the surrounding area within practical driving proximity. This being said, the overall analysis also recognizes the unique conditions present in Alaska and some of its communities. Along the same lines, the number of competitive event venues located throughout Alaska appears generally proportional to its population and the visitation patterns of host communities. All these types of factors (along with the results of surveys of event planners of potential events, that will be discussed in the next chapter of this report) will bear on the overall evaluation of market demand for a potential new Homer conference center.

IV. Analysis of Market Potential

The purpose of this chapter is to provide an analysis of the estimated market demand for a potential conference center in Homer. To form a basis for the analysis, detailed telephone interviews were completed with event planners representing key events that could potentially use a new Homer conference center. This survey-based technique provides an understanding of potential user needs, their willingness to use a new Homer facility, as well as overall perceptions of Homer as a potential host community for their event(s).

The market analysis has also been supplemented with data from previous studies, operating results from competitive/comparable facilities and our review of local market conditions and visitor amenity infrastructure in Homer. In the following chapter of this report, the appropriate size and configuration of a potential new conference center (as well as alternate development scenarios) and estimated event levels will be assessed, focusing closely on these characteristics.

Additionally, some background information concerning characteristics and trends of the convention, conference and meeting industry is also presented.

Industry Events and Facilities

The convention, meeting and public assembly event industries are diverse and dynamic and consist of a wide variety of events, many of which focus around a collection or gathering of individuals for the purpose of entertainment/recreation and/or face-to-face communication and the transmission of ideas/information. Typical industry event segments include:

- **Conventions** – Events traditionally held by professional associations of international, national, regional, state or local scope. Many of these groups tend to hold annual events that rotate among various destinations within a particular region. In addition, certain large corporations hold annual conventions.
- **Conferences** – Meetings held by professional associations, non-local corporations and local area companies. While sometimes used interchangeably with the term “convention”, these events tend to be smaller, on average, than conventions and also are less-exhibition focused.
- **Tradeshows** – Events traditionally held by professional associations of international, national, regional, state or local scope, as well as private events hosted by one or more corporations. Some of these groups tend to hold annual



events that rotate among various destinations within a particular region, similar to conventions, while others are fixed in specific cities each year.

- Consumer Shows – Exhibit-based shows are typically open to the general public and generally draw from the local area. These events tend to charge a nominal fee for entry and typically include events such as home & garden shows, boat shows, auto shows, gun shows, antique shows, career fairs, etc.
- SMERF (Social, Military, Educational, Religious, Fraternal) – Events include reunion-type meetings and conventions of groups and members, educational conferences and other such events. These events tend to be more sensitive to cost aspects than association and corporate groups.
- Meetings/Banquets – Events include functions hosted by local service clubs (such as Rotary, Shriners, and Elks) intended to share information, generate interest and spur membership. Other private events include local corporate meetings/training, exams, wedding receptions, anniversary/birthday parties and private banquets.
- Spectator Events – Ticketed and non-ticketed spectator events, both athletic and non-athletic entertainment and educational events. These events are most often held in arena/stadium-type facilities with plenary seating. Typical events include professional and amateur sports, high school and collegiate sports, concerts, family shows, motor shows and speaking engagements. Many of non-sporting spectator events generally require plenary seating, as well as a stage and sound equipment.

Exhibit IV-1, on the following page, illustrates a summary of industry event types along with their primary purposes, key facility requirements, the typical facility used to house the given event and some typically observed attendee characteristics.

**Exhibit IV-1
Summary of Industry Event Types**

Event Types	Primary Purpose	Key Facility Requirements	Typical Facility Used	Attendee Characteristics
Conventions	Information exchange, sales & networking	Exhibit, Ballroom & Meeting space	Convention Center, Conference Center	Predominantly non-local
Conferences	Information exchange, sales & networking	Ballroom and Meeting space	Conference Center, Hotel, Convention Center meeting space	Depends on scope of group, many are predominantly non-local
Tradeshows	Sales & Advertising	Exhibit space	Convention Center, Exhibition Center, Tradeshow Facility	Depends on scope of show, can have large percentage non-local
Consumer Shows	Sales & Advertising	Exhibit space	Convention Center, Exhibition Center	Mostly local
Social, Military, Educational, Religious Fraternal Events	Information exchange, civic, social, networking	Meeting, banquet, multipurpose space	Civic/Community Ctr., Exhibition Center, Conv./Conf. Center	Depends on scope of group, some are predominantly non-local
Meetings / Banquets	Information exchange, training, incentive	Meeting and Ballroom	Conference Center, Hotel	Typically local
Spectator Events	Entertainment	Seating, stage/event floor	Arena, Civic Center, Exhibition Center	Typically local

A variety of types of public assembly facilities exist in communities across the country that accommodate some or all of these types of events. Certain events tend to possess very specific facility and community requirements. Exhibit IV-2, on the following page, illustrates differences in the physical characteristics and event profiles of traditional event facilities.



**Exhibit IV-2
Typical Public Assembly Facility Characteristics**

	Convention Center	Conference Center	Expo Center	Community/Civic Center	Spectator Arena
Type of Space	Exhibit, Meeting, Ballroom	Meeting, Ballroom	Exhibit, Limited Meeting	Multipurpose Space	Spectator Seating, Flat Floor Space
Typical Events	Conventions, Trade Shows, Meetings, Banquet, Public Shows	Conferences, Meetings, Banquets	Public Shows, Trade Shows, Miscellaneous	Local Meetings & Banquets, Recreation, Other Events	Spectator and Other Events
Typical Ancillary Characteristics	Adjacent Headquarters Hotel	Adjacent Headquarters Hotel	Parking, Accessibility, Visibility	Parking, Accessibility, Visibility	Parking, Accessibility, Visibility
Economic Impact Generating Ability	High	Moderate	Limited to Moderate	Limited to Moderate	Limited to Moderate

- Convention centers, under the traditional model, typically incorporate exhibit, meeting and ballroom space. Usually located in medium to large-sized cities, convention centers tend to focus on attracting out-of-town economic impact-generating events such as conventions and tradeshow. It is imperative that convention-quality hotel inventory is located close to the center. Convention centers also tend to host a large number of secondary events, such as corporate meetings, public shows and banquets.
- Conference centers tend to represent smaller facilities than convention centers, usually possessing both flexible and dedicated meeting space, in addition to banquet space. Most traditional conference centers do not incorporate prime exhibit space and instead focus on accommodating local and non-local corporate meetings/conferences along with other local event activity such as private receptions and banquets. Many conference centers are situated within hotel facilities. Conference centers are often broken into several categories related to their type/focus: executive, corporate, resort and college/university.
- Expo centers, or exposition/exhibition centers, traditionally consist of large exhibit-focused structures possessing limited or no breakout meeting and banquet space. Expo facilities tend to be lower cost facilities (i.e., construction cost per gross square foot) than convention and conference centers. Most of the events accommodated by traditional expo centers are local in nature and include events such as public/consumer shows and other large flat floor using events.



- Community/civic centers tend to vary widely in terms of their physical and operational characteristics. Many centers offer multipurpose space that can accommodate a wide variety of events. The large majority of event activity represents events and attendees from the local area and, as such, adjacent/nearby hotel inventory does not tend to be a primary concern for most events. Communities tend to develop these types of facilities for the good and benefit of the local community rather than for economic impact generating purposes.
- Spectator arenas are plenary seating venues that primarily accommodate spectator events such as sporting events, concerts, family shows and circuses. Some spectator venues have the capability to configure the arena floor and/or retract some or all of its seating areas to accommodate certain types of flat floor events such as graduations, public shows, and recreation activities.

In a number of smaller communities across the country, successful assembly facilities have been developed that are multipurpose in nature, integrating a number of the characteristics of one or more of the facilities described above. As a result, these facilities are able to accommodate the widest variety of events, thereby maximizing their overall usage.

Telephone Survey Results

Given Homer's geographic location, its local market characteristics and the event profiles of other existing Alaskan convention/conference facilities, it is believed that the primary non-local event markets for a potential Homer conference center would predominately be events hosted by in-state groups (as opposed to national groups). Additionally, as will be discussed in the subsequent chapter, local events (as in nearly all convention/conference facilities) would be expected to contribute the largest share of facility utilization. While local events tend to be the largest users of facilities, they generate little new economic impact for host communities (as opposed to the room nights and new spending generated by non-local event attendees and exhibitors). As such, estimation of the market demand associated with non-local state groups is normally of particular interest for communities evaluating new convention/conference center development.

In order to test the potential state event market, a detailed telephone survey was conducted with meeting planners of 35 state groups, representing more than 60 recurring events. Surveyed groups included professional associations, SMERF (social, military, education, religious, fraternal) groups and other miscellaneous rotating events.



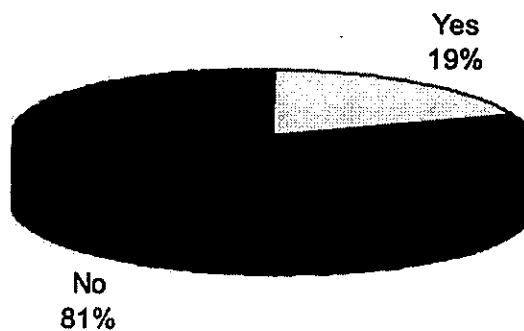
The identified population of these state groups is approximately 100 (producing roughly 200 events annually). Relative to other states in the country, this estimated population of state groups in Alaska with recurring, rotating events represents an amount significantly lower than are located in most other states throughout the nation. In general, the population of these groups is often directly correlated to both the resident and corporate population of host states.

Event Quantity and Past Use

A primary objective of the survey of the state organizations was to ascertain their perceived interest in using a potential Homer conference center for one or more future events. The events identified through the state surveys were analyzed in terms of potential for being held in Homer and in terms of attributes unique to the individual events. The survey results produced information on the likelihood concerning state organization planners rotating their event(s) to Homer, as well as specific event characteristics of those events that represent the potential event markets.

A portion of the survey research concentrated on previous use of Homer as a site for events. It was found, as illustrated in Exhibit IV-3, that 19 percent of the state organizations had used Homer as a site for an event at some time in the past. Of these past users, a large percentage indicated using local Homer hotel meeting facilities, such as the Lands End Resort and the Best Western Bidarka Inn.

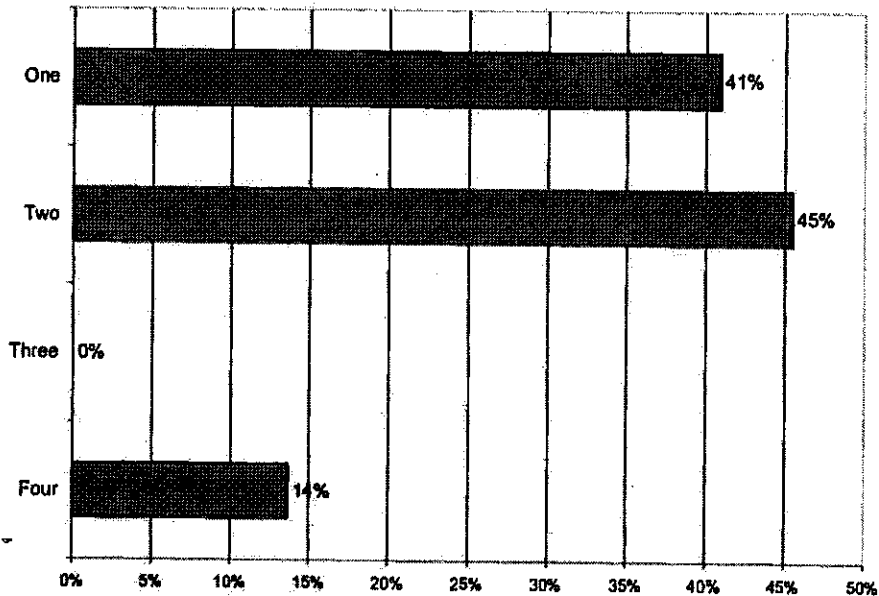
**Exhibit IV-3
Past Use of Homer Meeting Facilities**



Source: CSL State Organization Survey, 2005

As presented in Exhibit IV-4, survey respondents were asked how many recurring off-site events their organizations produce annually.

**Exhibit IV-4
Total Number of Events Produced Annually – State Organizations**



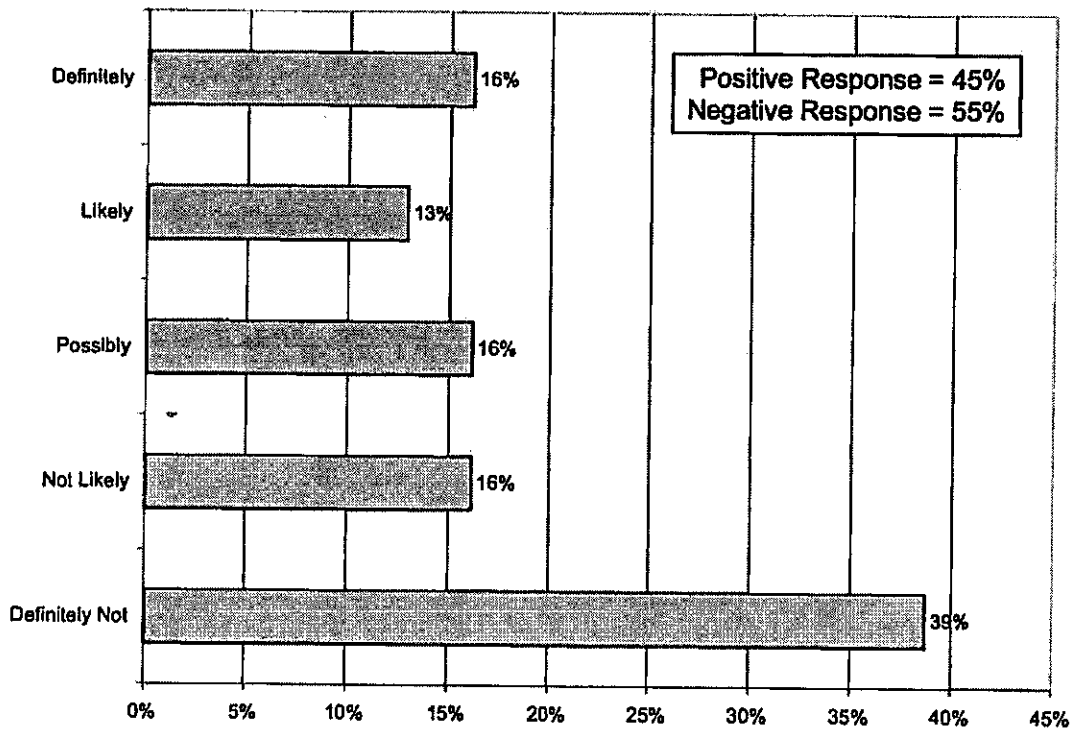
Source: CSL State Organization Survey, 2005

As shown, survey results indicate that nearly 41 percent of the state organizations produce one recurring off-site event annually, while 45 percent hold two events annually. Fourteen percent hold as many as four events each year. Secondary events, beyond the typical primary annual event held by all the respondents, tend to be smaller events that are important, nonetheless, to host communities through their generation of room nights and economic impacts.

Interest in Utilizing a Potential Homer Conference Center

State organization planners were asked to indicate the likelihood of their organization using a new conference center in Homer, assuming it and the hotel inventory meets the needs of their event(s). Responses related to state groups surveyed are presented in Exhibit IV-5.

Exhibit IV-5
Likelihood of Utilizing a Potential Homer Facility – State Organizations



Source: CSL State Organization Survey, 2005

Based on survey results, the positive response percentage (“definitely use,” “likely use” and “possibly use”) by state organizations with an annual event approximates 45 percent. Of this positive response, 16 percent of respondents indicated that their group would “definitely use” a Homer conference center, assuming the facility meets their needs of their event, while 13 percent would “likely use” such a facility. Overall, this level of interest in using a potential new Homer conference center is considered to be “moderate”. Positive response percentages concerning state groups above 60 percent would be considered “strong”, while percentages lower than 30 to 35 percent are generally considered to be “weak”. However, as will be subsequently discussed, the population of these states groups

must be considered along with these types of interest responses when estimated event demand.

Reasons for a Lack of Interest in Homer

Event planners who indicated that they would not likely use a potential Homer conference center were asked to expand on their reasons. While many of the stated reasons for not likely rotating to Homer for a future event varied, many respondents indicated the perceived difficulty in travel to Homer and specific rotation policies that would prevent their group from holding an event in Homer. Some commonly-heard responses from event planners who did not indicate interest in using a potential Homer conference center include:

- “Our events are always held in Fairbanks or Anchorage.”
- “Our attendees need to be able to fly into the location the event is held.”
- “A heavy majority of our membership base resides in Anchorage.”
- “Groups need to attend legislation events in Juneau.”
- “Homer is too far away to effectively accommodate transportation for all our membership.”
- “There aren’t enough entertainment options and restaurants in Homer to suit our membership.”
- “The hotels in Homer are not large enough and of a quality to accommodate our group.”

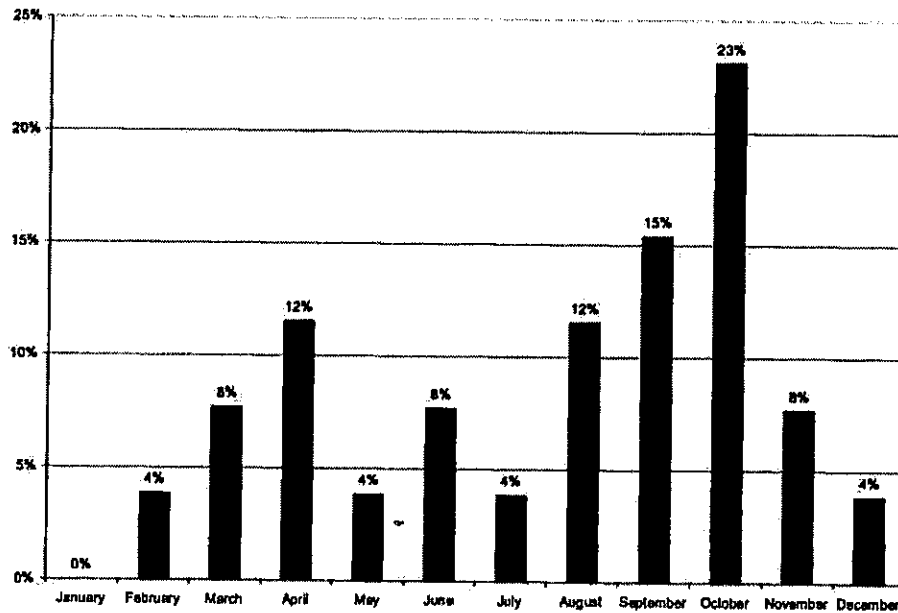
Facility Usage

Rotating events typically have specific preferences and/or requirements regarding the months in which their event can occur. Likewise, organization planners typically employ a particular rotational policy that allows the event to return to a specific location only after a certain period of time.



Exhibit IV-6 presents the seasonality patterns for those state events that represent the potential market demand for a potential Homer conference center.

Exhibit IV-6 Event Seasonality – State Organizations

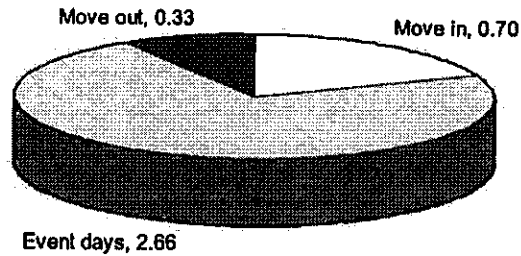


Note: Of those respondents with a positive interest in Homer
Source: CSL State Organization Survey, 2005

Of the interviewees responding with a positive interest toward a potential Homer facility, it was found that event seasonality tends to peak in the fall months, with the highest month of activity being October, when 23 percent of the events representing Homer's market typically are held. A secondary peak occurs in April, containing 12 percent of positive responses. These seasonality patterns have important implications on the ability of Homer community to accommodate non-local event attendees, particularly during peak tourism months of summer. However, a relatively strong percentage of potential event activity could occur in the "shoulder" periods and off-season months.

It was also found that the average number of days the facility would be used, per event, among those expressing a positive interest in Homer, is approximately 3.7 days. Exhibit IV-7 shows the distribution of average estimated move-in, move-out and meeting days indicated by positive respondents.

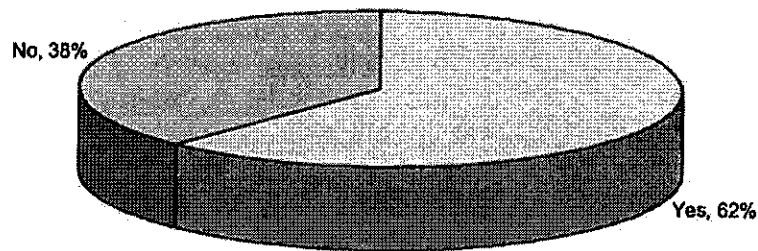
Exhibit IV-7
Average Utilization Days – State Organizations



Note: Of those respondents with a positive interest in Homer
 Source: CSL State Organization Survey, 2005

As shown in Exhibit IV-8, 62 percent of the state organizations who expressed a positive interest in Homer require a dedicated ballroom/multipurpose space for food functions. Based on survey results, such space is often used multiple times during the course of an event. Importantly, ballroom/multipurpose space can often be used to fulfill certain “meeting space” requirements, as well as general assemblies.

Exhibit IV-8
Requirement of a Ballroom/Multipurpose Area – State Organizations



Note: Of those respondents with a positive interest in Homer
 Source: CSL State Organization Survey, 2005

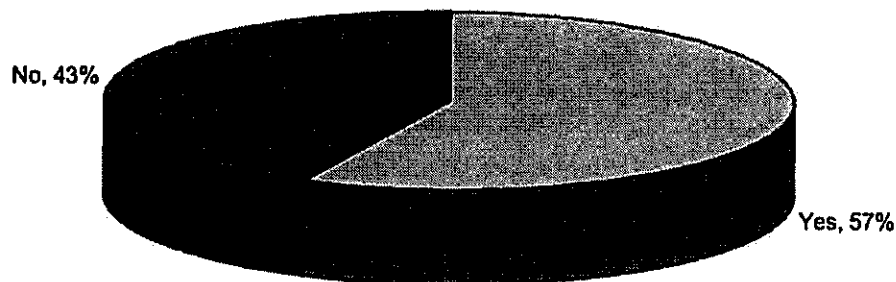


Hotel Requirements

As discussed throughout this report, one of the most important aspects in attracting conferences, conventions and tradeshows is the availability of committable, convention-quality hotel rooms. "Convention-quality" is a term that varies based on the particular community and type of group considered. The attendees of many state organizations (particularly SMERF groups) tend to be willing to use a significant diversity of a local area's existing hotel/motel products. However, some state groups (potentially some state associations) will likely require one or more full-service hotel properties. For purposes of this analysis, "full service" refers to hotels that offer on-site food and beverage and include some level of meeting and banquet space. As such, the Land's End Resort presently represents Homer's only full service hotel.

The non-local event market share captured in any community cannot expand beyond what the area hotels can accommodate. Since many groups have specific requirements related to a headquarters hotel being located either adjacent to or in close proximity of a host facility, survey respondents were questioned regarding their group's specific hotel requirements. Exhibit IV-9 presents a summary of these results.

Exhibit IV-9
Requirements of a Headquarters Hotel – State Organizations



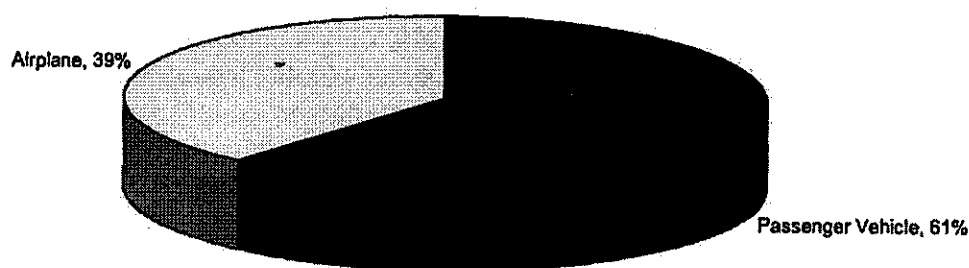
Note: Of those respondents with a positive interest in Homer
Source: CSL State Organization Survey, 2005

As shown on the previous page, approximately 57 percent of state organization survey respondents with a positive interest in Homer indicated that their group's primary event requires a headquarters hotel within close proximity to the host facility. This data suggests that there will be important implications should a new conference center development not be located near either an existing or new hotel.

Method of Transportation

Positive survey respondents were also questioned as to their group's attendees expected mode of transportation to Homer, as shown in Exhibit IV-10. Specifically, the question related to what percentage of their group's delegates would be expected to travel to Homer via airplane versus passenger vehicle. The average planner indicated that 61 percent would be expected to travel via passenger vehicle and 39 percent would travel via airplane.

Exhibit IV-10
Method of Expected Transportation – State Organizations

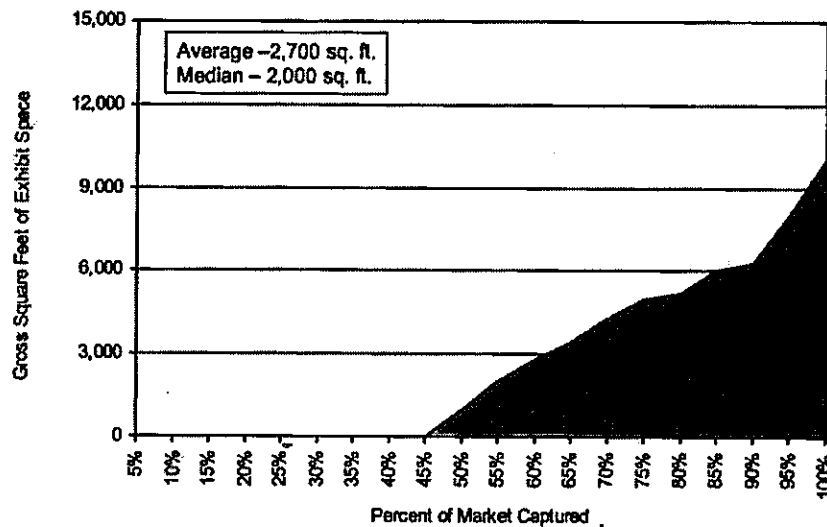


Note: Of those respondents with a positive interest in Homer
Source: CSL State Organization Survey, 2005

Facility Space Requirements

To further evaluate space requirements, state organization planners with a positive interest in Homer were asked to estimate the average exhibit space requirements associated with their events. Responses are summarized in Exhibit IV-11 below.

Exhibit IV-11
Total Exhibit Space Required – State Organizations

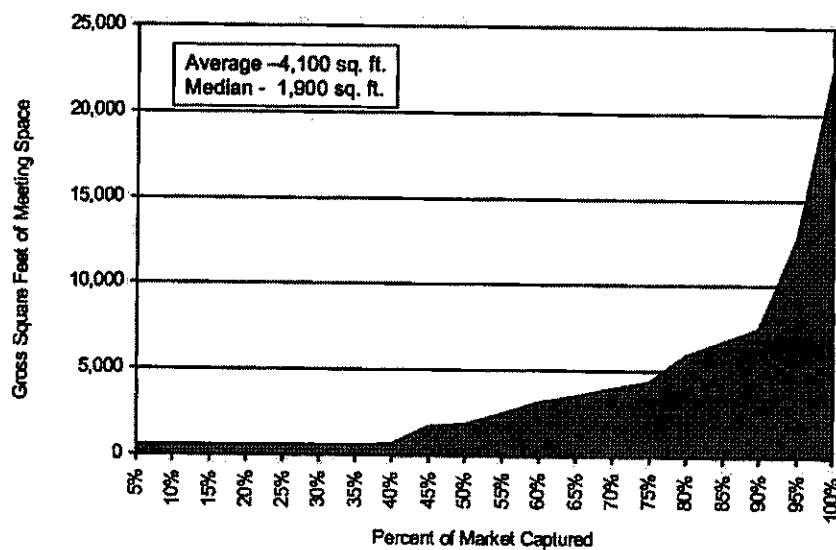


Note: Of those respondents with a positive interest in Homer
Source: CSI State Organization Survey, 2005

As shown in the exhibit, 55 percent of Homer's potential state organization event market requires exhibit space. As will be subsequently discussed, all also require some level of breakout meeting space and/or ballroom/multipurpose space. In order to capture between 85 and 90 percent of Homer's event market, approximately 6,000 square feet of traditional exhibit space is required. It is important to note that many of these groups requiring exhibit space could potentially use ballroom/multipurpose space to accommodate their exhibit functions. However, if a ballroom/multipurpose space is used to accommodate exhibit activities, additional space will likely be necessary to accommodate other typical concurrent functions such as general assemblies, food functions and breakout meetings.

Breakout meeting space is a significant portion of a “complete” conference center. State organization event planners were also asked to estimate the average meeting space levels for their events. Because meeting room space can be used for many different purposes, actual square footage requirements can vary considerably. Responses are summarized below in Exhibit IV-12.

Exhibit IV-12
Total Meeting Space Required – State Organizations



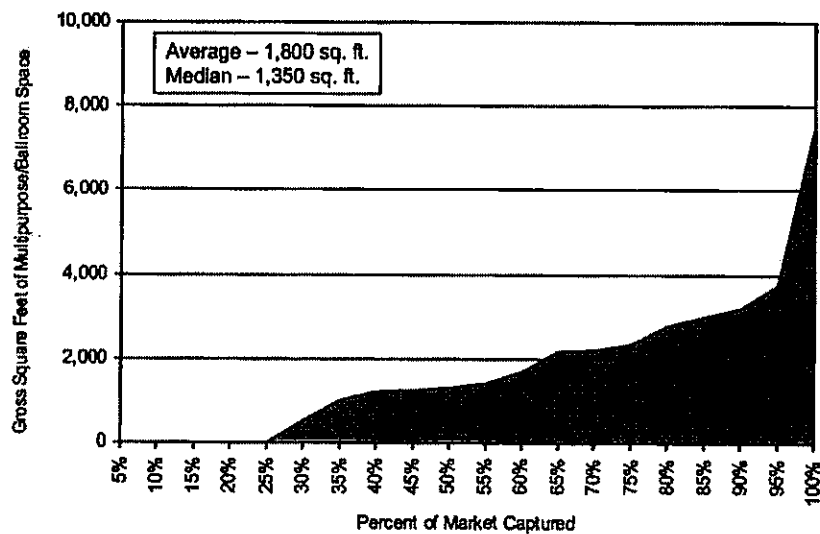
Note: Of those respondents with a positive interest in Homer
Source: CSL State Organization Survey, 2005

As shown, in order to capture between 85 and 90 percent of Homer’s market, just over 7,000 square feet of breakout meeting space is required. It is important to note that other facility space, such as ballroom/multipurpose space, can often be used to accommodate meeting space requirements.



Event planners were also asked to estimate the average amount of ballroom space used for their events. Exhibit IV-13 illustrates that between 85 and 90 percent of the potential market requires 3,000 square feet of ballroom/multipurpose space or less to accommodate their events.

**Exhibit IV-13
Total Ballroom/Multipurpose Space Required – State Organizations**



Note: Of those respondents with a positive interest in Homer
Source: CSL State Organization Survey, 2005

When sizing the ballroom or multipurpose room, several factors should also be considered (in addition to the direct space requirements noted above):

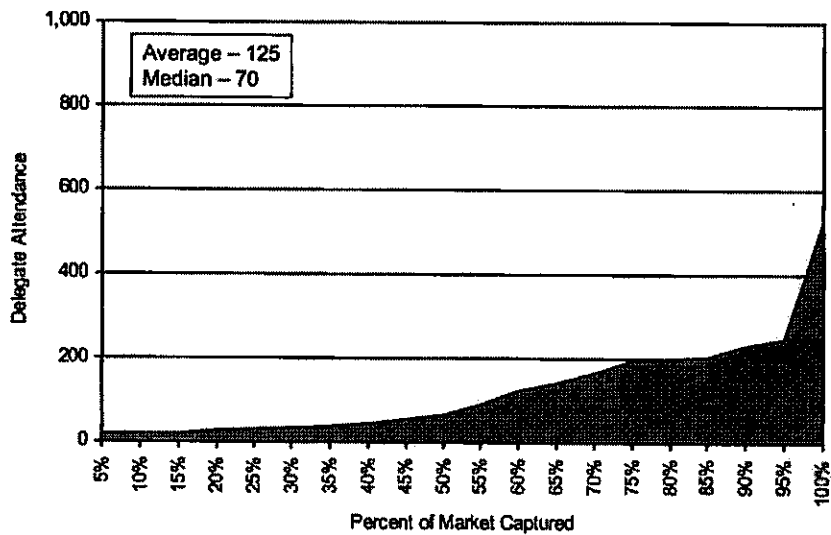
- Ability to host concurrent events and activities.
- Local banquet and other event use.
- Synergies with meeting and exhibit space.
- Revenue potential from large food events.
- The significant importance of quality food service.



Delegate Attendance

Event planners were asked to estimate the average delegate attendance levels for their events. These figures exclude spouses and guests of the event's delegates. Responses are summarized in Exhibit IV-14.

**Exhibit IV-14
Total Delegate Attendance – State Organizations**



Note: Of those respondents with a positive interest in Homer
Source: CSL State Organization Survey, 2005

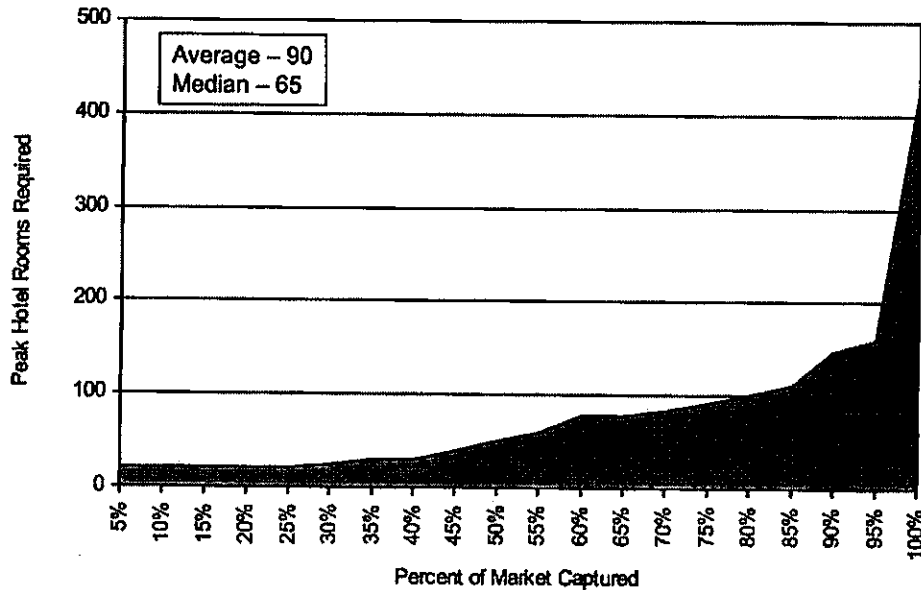
As shown in the exhibit, 85 percent of the potential state organization market consists of events with 200 or fewer delegates. It is important to note that the economic effects of state and regional conventions/conferences (as well as other non-local events) extend beyond the number of event “delegates”. There can be a significant amount of exhibitors, delegate spouses/guests and representatives of the sponsoring organization in the community at the time of the event. These are in addition to the delegate attendance noted above and were considered in the subsequently economic impact analysis.



Hotel Room Requirements

Committable, quality hotel room inventory is required to support the majority of state organization event activity. Exhibit IV-15 details a summary of peak night hotel room demand related to Homer's potential state organization conference event market.

**Exhibit IV-15
Total Hotel Rooms Required – State Organizations**



Note: Of those respondents with a positive interest in Homer
Source: CSL State Organization Survey, 2005

In order to capture 85 percent of the potential market with a positive interest in rotating an event to the Homer area, more than 100 committable, quality hotel rooms will be required. In order to capture 95 percent of the potential market, approximately 170 committable, quality hotel rooms would be required. "Committable rooms" refer to the room block(s) that one or more hotel properties will be required to "block", or set aside and reserve in advance, for the future event. Depending on the season and time of week, hotel operators tend to be willing to block out varying percentages of their total inventory. During busy, peak periods, certain hotel operators may be unwilling to commit a substantial percentage of their inventory of rooms, while in off-peak periods, they may be willing to block the vast majority of their inventory.

As mentioned in a previous chapter, Homer has 35 existing hotel properties and 100 B&Bs, with the largest facility, Land's End & Resort, offering 62 rooms. However, should

a new conference be located in Homer's Town Center (i.e., a non-proximate location to Land's End), a certain percentage of potential events may not be willing to use the Land's End as a "headquarters" hotel property. As such, the Heritage Hotel, located on Pioneer Avenue and offering 34 rooms, represents the only existing hotel property with the Town Center area. This increases the need for additional quality hotel rooms proximate to Town Center and the potential conference center site to maximize capture of potential non-local event activity. Without such nearby headquarter hotel support, the ability of a new Homer conference center to attract non-local conferences and meetings will be negatively impacted.

Additionally, it is also important to consider the strong preference for hotel rooms in a limited number of properties within close proximity of the conference center. Furthermore, it is important to note that most conference center facilities typically are able to accommodate multiple events concurrently. As such, conference center hotel demand is often a function of one or more events that are accommodated at the facility.

Importantly, room night impacts associated with a conference center extend beyond just the headquarter hotel and nearby properties. As hotel rooms are blocked (committed) for a convention, conference or large meeting, other non-event-related transient and group hotel demand is "compressed" outward to other hotel properties throughout the community.

General Selection Criteria for Destinations

State organizations' primary selection criteria when considering potential destinations and facilities for event rotation varies among organizations. Some common primary criteria for considering a potential destination and facility, as indicated by state organizations expressing a positive interest in Homer, include:

- "Destination needs to offer enough meeting space under one roof to accommodate our membership."
- "Must be supported by members of the community."
- "Willingness of facility and staff to accommodate the event, including space and amenities."
- "Accessibility, location and ease to get to."
- "The destination has to be of interest to our members and offer recreational amenities."
- "Location must be accessible and reasonably priced."



Overall Impressions of Homer as an Event Destination

Positive state organization event planners were asked for their overall impressions of Homer as a potential site for their organization's event(s), their responses included:

- "Wonderful city!"
- "Homer has a lot to offer, many different land and water activities to accommodate our organization."
- "Needs more hotel rooms under one roof, logistical nightmare to hold meetings there."
- "Beautiful destination, but they don't have enough meeting space in one location."
- "Great place, but don't know if people would travel there for a meeting."
- "Homer is one of my favorite places; I don't see why we wouldn't use Homer."
- "Lack of well-funded organization (CVB) to promote the area – plenty of lodging units, but no meeting facilities."
- "It is a long way for our event; we may have trouble getting people to come down. However, it may be a good chance for people to get away."
- "Great! We had a wonderful time in Homer the last time we were there."

Overall Market Demand Conclusions

Relative to its population size, Homer presently possesses a number of event facilities (Best Western Bidarka Inn, Homer High School, Lands End Resort) that are capable of hosting flat floor events, such as meetings, conferences and banquets. However, there are a number of issues that constrain the ability of these facilities to effectively accommodate traditional meetings and conferences (i.e., substandard or non-traditional space [i.e., Elks Lodge], other primary uses/tenants [i.e., High School & Ice Rink], lack of proximate hotel rooms [i.e., Islands & Oceans], etc.).

Interest levels from meeting planners from state association and SMERF organizations in using a potential Homer conference center are generally considered to be "moderate" with 45 percent of surveyed respondents being of positive response, while 39 percent of responses indicated they would "definitely not" utilize a potential facility in Homer. However, given the low population of these state groups and the rotation policies employed by many, facility utilization by these groups would be expected to annually contribute a relatively small to moderate number of facility utilization days.



Further, given the geographic location of Alaska (and consistent with the event profiles at other comparable Alaska facilities), it is not expected that groups located outside Alaska would contribute a significant amount of use days at a Homer conference center. As such, to achieve utilization levels consistent with or higher than the average comparable facility, a new Homer facility would have to generate a strong majority of its events from the local market. In general, the analysis of local Homer market conditions does not suggest that this would be likely. Overall utilization levels of a potential new Homer conference center facility would be expected to be lower than the average comparable facility, but generally consistent with other comparable Alaska communities (with facilities), such as Sitka, Ketchikan and Valdez.



V. Building Program & Development Options Analysis

Based on the results of the analysis of local market conditions, competitive/comparable facilities and host communities, and event market potential, an evaluation of the supportable facility program components and potential development scenarios was performed for a potential new Homer conference center.

As discussed in the previous chapter, analysis results indicate that a new conference center could attract a certain level of unmet market demand in the Homer area. In order to accommodate the majority of this demand, certain facility space parameters would have to be met. However, based on the level of market demand measured for such a product, it is considered unlikely that a new stand-alone conference center (i.e., publicly-owned, not attached to a hotel or other facility, etc.) could generate utilization levels consistent with or higher than the average comparable facility reviewed. This being said, certain communities are willing to invest in convention/conference facilities that would be expected to carry excess capacity due to their importance in generating new economic activity for the local community, as well as providing a gathering place for residents. For instance, existing facilities in Sitka, Ketchikan and Valdez are generally considered "underutilized" facilities (relative to other comparable facilities located throughout the nation), but they are serving important roles in their local communities.

The purpose of this chapter and the following chapter is to outline potential development options and estimate associated costs and benefits of each in order for the City and other potential partners to make its own decisions regarding the project.

Based on the analysis conducted, four general development options have been developed. They include:

- Option 1: Stand-alone Conference Center
- Option 2: Public/Private Partnership with Hotel (existing or new)
- Option 3: Joint Use Build-out with Another Public Project
- Option 4: Do Nothing



Option 1: Stand-alone Conference Center

In order to accommodate the majority of measured event demand and reasonably maximize its ability to attract economic impact-generating, non-local events, a potential new Homer conference center would have to meet certain space requirements. The supportable components of a new conference center in Homer are estimated to include:

- Up to 10,000 square feet of multipurpose space, subdivisible with a ceiling height of at least 18 to 20 feet, carpeted multipurpose flooring, moderate to upscale finish.
- 3,000 square feet of breakout meeting space, subdivisible, lower ceiling space with moderate to upscale finish.

The above space figures do not include service, support, circulation and other non-sellable areas of typical facilities. Additionally, in order to capture a significant level of the measured non-local event potential, the facility will need to be located in relatively close proximity (i.e., within walking distance) to one or more quality hotel properties. As such, since the Heritage Hotel (with 34 existing guestrooms) effectively represents the only hotel in or near Town Center (the target area for a potential new conference center), either additional rooms will need to be added or a new proximate hotel will need to be developed. Without such hotel support, the conference center will be limited in its ability to attract non-local events and utilization levels and economic impact generation will be negatively impacted.

Given that the vast majority of stand-alone convention/conference centers located throughout the country operate at an annual financial deficit, such a development would most likely need to be a largely publicly-funded project that is owned and operated by the public sector (i.e., City of Homer). A number of convention/conference center facilities throughout the nation are publicly-owned, but managed by private management firms. However, given the small size of the potential facility and expected low utilization levels, it is not believed that a potential private management contract would be deemed attractive by traditional private management firms, nor would any potential contract terms likely be advantageous for the City.

The subsequent chapter will outline estimated event levels, upfront and ongoing costs and benefits associated with this development scenario.

Option 2: Public/Private Partnership with Hotel (existing or new)

Most hotels offer some level of meeting and banquet space. In fact, certain hotels in mid and large-sized cities offer greater levels of conference space than some stand-alone convention centers. Integrating conference space allows hotels to penetrate into various

group segments that they might not otherwise be able to compete for without conference space. Rather than generating a significant amount of additional direct income for the hotel, the presence of the conference space is often intended to generate added room night demand. Additionally, operating synergy (i.e., sharing overhead and personnel costs between the conference space and hotel components), complete control over bookings and rates, and the provision of in-house services (i.e., food and beverage, telecommunications, audiovisual, etc.) can combine to make the hotel/conference center a profitable venture (assuming demand for the hotel and conference center exist).

Based on conversations with management, the Land's End Resort generates limited income from conference and meeting events. This is believed to be a function of both the limited amount of conference space integrated into the property and relatively low demand levels within the marketplace (among local and state groups small enough to use such space). The conference space at the Land's End is important to the facility's overall operations as it generates some additional room nights for the hotel and helps support its on-site food and beverage operation. However, similar to many other privately-owned facilities of its nature, it likely does not make financial sense (from a profitability standpoint) for the owner to invest significant capital to expand and improve its conference facilities to a level consistent with the market supportable program (outlined under Option 1).

In order to create a conference center "solution" for the local Homer community, a public/private partnership may be a possibility. This would take the form of a public sector (i.e., City) incentive for an existing hotel operator to expand and improve existing conference space or for a developer to build a new hotel and design a larger amount of conference space in the project than they might otherwise have. The overall investment (upfront and ongoing) by the public sector would most likely be significantly lower under this scenario than a publicly-owned and operated, stand-alone conference center. Such costs will be outlined in the subsequent chapter.

Such a project would be owned and operated privately (by the hotel owner/operator). Importantly, private ownership/operation of the conference center will minimize or eliminate any ongoing public sector funding obligations (i.e., subsidization of annual operations, capital improvements, etc.). However, under this situation, the public sector effectively loses much, if not all, control over facility bookings and operating policies. Conversely, under the publicly-owned model, the public sector can wholly determine booking policies and priorities to protect the needs of the community. In general terms, the greater the public sector contribution in any public/private partnership of this nature, the greater leverage it could have in terms of influencing certain key aspects of the project (such as facility design, bookings and operating policies) to protect and benefit the community and its residents.

Given the quality of product, number of existing guestrooms and conference and support facilities, the existing Land's End property initially appears as a logical candidate for such



a development partnership. However, as the facility is not located near Town Center, a partnership with the owners of the Heritage Hotel or a potential developer of a new hotel may be more desirable avenues for the City to explore, given its focus on developing Town Center. Nevertheless, it may still be of benefit to “keep all options open” relative to dialogue with local hotels or potential hotel developers. If one hotel becomes the only focus of all negotiation, the City’s leverage may be substantially reduced. On the other hand, the City could designate a “Town Center hotel” as a preferred option, while still considering other alternatives. This would allow the community to weigh all partnering possibilities with the aim of creating a conference center “solution” for Homer that offers the greatest level of community benefits relative to public sector investment.

If the City wishes to pursue consideration of this development scenario, a series of key steps are recommended for consideration:

1. It is suggested that a formal Request for Statements of Interest be issued to a list of state and regional hotel developers. This Request should include detail on the envisioned concept and general parameters for type of property, number of sleeping rooms and level of meeting and banquet space. These parameters are critical in protecting the public sector’s interest in the project. However, the lower the public sector contribution, the smaller the leverage the public sector will have in influencing design parameters.
2. Upon receiving responses, the public sector could assess responses and, if necessary, begin considering what types of additional incentives may be offered (i.e., free land, tax incentives, upfront capital contribution, etc.).
3. Next, the public sector could either issue a formal RFP (Request for Proposals) for hotel development or begin negotiating with strong, interested candidates identified through the previous process.

Option 3: Joint Use Build-out with Another Public Project

Alternately, as the amount of conference space deemed to be supportable in Homer is relatively small, it may be possible to develop all or some subset of this type of space jointly, as a part of another public project. It is understood that the City wishes to identify a viable anchor, or anchors, for a Town Center development project. There are presently discussions occurring with respect to several potential new public projects, including a new City Hall and new library. Both of these projects, wherever they are ultimately located, will attract regular local traffic, thereby “activating” their immediate surroundings. Integrating conference/meeting space as a part of these projects will increase the amount of activity in and around their facilities. This could be viewed positively in the context of the “activation” of a new Town Center. Further, under these options, the City would have full control of conference space bookings, marking and use. As will be subsequently



discussed, it is possible that operational synergy and shared overhead could minimize the incremental costs of annually operating such space.

Based on recent discussions with City officials, it is believed that a new City Hall project (as opposed to a new library) in Town Center would be a more likely candidate for a joint use project. Additionally, the City may wish to consider other non-public candidates for a joint use Town Center project. The most attractive opportunities will obviously be projects that will draw significant levels of local and non-local traffic to the site. An example of which would be a museum, such as a new Pratt Museum. However, since the facility would not be owned by the City, considerations will have to be made with respect to the impacts on conference/meeting space booking and marketing priorities.

Option 4: Do Nothing

Ultimately, the City may determine that public sector costs of any of these conference center development scenarios outweigh the incremental benefits to the Homer community and, therefore, elect not to proceed with any future planning.



VI. Analysis of Event Levels and Costs & Benefits

The purpose of this chapter is to estimate annual event levels and the associated costs and benefits of the various development scenarios outlined in the previous chapter. Consideration of costs include order-of-magnitude potential construction costs, estimated annual operating costs and the potential amount of public sector participation that could be required. Analyzed benefits generally include both quantifiable and non-quantifiable economic impacts that may be generated for the Homer community under each development scenario.

Based on recent discussions with City and other project representatives, it has been suggested that Options 2 and 3 (as outlined in the previous chapter) represent the primary areas of focus under the remaining analysis tasks, in this chapter and subsequent chapters.

Summary of Methodology

This section provides information concerning the methodology used to analyze estimated costs and benefits of various development options for a potential new Homer conference center.

Event Levels

The level of potential event activity for a new conference center under each of the key development scenarios has been estimated. These estimates are based on the results of the analysis of market demand, supportable building program parameters and the general development scenarios previously outlined. As a number of specifics pertaining to the development scenarios (particularly under the public/private partnership and joint use situations of Options 2 and 3) are difficult to define with certainty, these estimates must be considered as preliminary. As such, their utility largely relates to assisting in development of a basis for estimating costs and benefits, which in turn allows for comparison of results among various development scenarios.

Financial Operations

The analysis of financial operations is designed to assist project representatives in assessing the financial effects of the proposed conference center and cannot be considered to be a presentation of expected future results. Accordingly, the analysis of potential financial operating results may not be useful for other purposes. The assumptions disclosed herein are not all inclusive, but are those deemed to be significant. Because events and circumstances frequently do not occur as expected, there usually will be differences between estimated and actual results, and these differences may be material.



As with all new public assembly facilities, an initial startup period is assumed before event levels are anticipated to stabilize. For purposes of this analysis, the fourth full year of operation represents a stabilization of operations, which is presented (where applicable) in terms of 2005 dollars. In addition, certain revenue and expense assumptions were developed utilizing comparable and competitive facility data and industry experience with similar projects, along with consideration of the unique attributes of the Homer regional area marketplace and specific conditions envisioned for the proposed facility.

As in all studies of this type, the estimated results are based on competent and efficient facility management and assume that no significant changes in the various event markets will occur beyond those set forth in this report.

Additional descriptions of terms and discussion of financial operating analysis methodology is provided in Appendix B, presented at the conclusion of this report.

Preliminary Construction Costs

Construction costs tend to vary widely among comparable convention/conference center projects. Many variables exist that influence actual realized construction costs, including type of facility, size, components, level of finish, integrated amenities, costs of goods and services in the local market, location and topography of the site, ingress/egress issues and other such aspects. Further, cost can be even more variable under situations where an existing facility is expanded or improved, or a joint use project is developed.

Where applicable, we have commented herein on estimated preliminary hard construction costs. The figures represent order-of-magnitude estimates based on industry standard per-unit data adjusted for conditions in the Homer area. Detailed architectural concept, design and costing analysis would be required to specifically estimate construction costs for any new conference center project.

Economic Impacts

The annual operations of an event facility, such as a conference center, typically provide some level of new economic benefit to an area. Typically, and for purposes of this report, quantifiable effects are characterized in terms of *economic impacts*, conveyed through measures of incremental levels of direct spending, total output (direct plus indirect/induced spending), personal income and employment (i.e., full and part-time jobs supported throughout the local economy by the new economic activity).

The impact of an event facility is maximized when out-of-town attendees spend money in a community while attending a facility event. This spending by out-of-town attendees represents *new money* to the community hosting the event (i.e., direct spending). This new



money then creates *multiplier effects* as the initial spending is circulated throughout the local economy (i.e., indirect/induced spending).

The initial spending of new dollars into an economy begins a series in which the dollars are cycled through the economy. The re-spending of the dollars is estimated by using the economic multipliers discussed above and applying them to the amount of direct, or initial, spending. The multiplier illustrates that spending in a defined economy will lead to additional spending until that dollar has completed its cycle through leakage. Leakage represents the portion of a dollar spent in areas outside the designated economy such as the taxes paid on purchases of goods and services.

It is important to note that spending estimates associated with a potential Homer conference center only represent spending that is estimated to be "new" to the community ("net new spending"), directly attributable to the operation (and existence) of the facility. The analysis does not consider any assumed displaced spending within the community.

Additional descriptions of terms and discussion of economic impact analysis methodology is provided in Appendix B, presented at the conclusion of this report.

Option 1: Stand-Alone Conference Center

While we have been directed to primarily focus our efforts in this analysis around development Option 2 (public/private partnership with hotel) and Option 3 (joint use build-out with another public project), we believe it is useful to present a discussion concerning some of the potential costs and benefits that could be associated with a stand-alone conference center (under Option 1).

Estimated Event Levels

Based on the various analyses conducted for this study, including the supportable facility program and hotel requirements outlined in the previous chapter, the following exhibit presents a summary of estimated number of events, event days and utilization days for a new Homer conference center under development Option 1.

<u>Event Type</u>	<u>Number of Events</u>	<u>Event Days</u>	<u>Utilization Days</u>
State Convention & Conferences	10	27	37
Other Conferences	3	8	11
Public/Consumer Shows	5	13	25
Meetings/Banquets/Other Events	40	40	40
Total	58	87	113



As shown in the exhibit on the previous page, a potential Homer conference center, under the stand-alone model, is estimated to accommodate 58 events, comprising 113 utilization days in a stabilized year of operations (assumed to occur by the fourth year of operation). Ten of these events are assumed to represent the non-local state convention and conference events that would generate the majority of the new economic impact to the Homer community.

Potential Costs

As a conference center under this development scenario would be publicly-owned and operated, it is estimated that the vast majority of construction and ongoing costs will need to be borne by the City. There may be some small opportunities for private sector involvements to assist in defraying some project costs through sponsorships, exclusive facility use agreements, upfront service provider fees and/or private donations.

Based on the analysis of estimated financial operations, the following exhibit presents a summary of the potential operating revenues and expenses that a new conference center under Option 1 could generate (in a stabilized year of operation, in 2005 dollars).

Operating Revenues:	
Rental Revenue	\$72,000
Food and Beverage Revenue (net)	15,000
Other Revenue	<u>25,000</u>
Total Operating Revenues	\$112,000
Operating Expenses:	
Salaries, Wages, Benefits Expense	\$185,000
Other Expenses	<u>130,000</u>
Total Operating Expenses	\$315,000
Net Operating Deficit (before debt service & reserve funding)	(\$203,000)

As shown in the exhibit, upon stabilization of operations, a potential stand-alone Homer conference center would be estimated to generate an annual operating deficit of approximately \$200,000, before any debt service and capital repair/replacement reserve payments. This level of operating deficit is consistent with other comparable facilities, including those in Alaskan communities such as Valdez, Sitka and Ketchikan.

In terms of potential construction costs of such a facility, based on a review of a variety of comparable small to mid-sized community convention/conference center projects (*new* facility construction), facility hard construction costs (i.e., excluding site acquisition,



preparation and other soft costs) have generally ranged between approximately \$170 and \$300 per gross square foot (in 2005 dollars). For purposes of this analysis and in efforts to adjust these figures for the unique conditions in Homer, it is preliminarily estimated that order-of-magnitude hard construction costs could approximate \$250 per gross square foot of facility space. Based on the market supportable program of 13,000 square feet of sellable space (i.e., "net" space), it is estimated that "gross" facility space could approximate 26,000 square feet. Applying the aforementioned per square foot cost estimate, hard construction costs for a new Homer conference center could approximate \$6.5 million.

Potential Benefits

The following exhibit presents a summary of estimated economic and fiscal impacts associated with a new stand-alone, publicly-owned conference center under Option 1.

Direct Spending By Industry:	
Hotel	\$520,000
Restaurant	536,000
Entertainment	114,000
Retail	211,000
Local Transit	65,000
Other Industries	<u>179,000</u>
Total Direct Spending	\$1,625,000
Total Indirect/Induced Spending	<u>\$995,000</u>
Total Economic Output	\$2,620,000
Tax Revenue:	
City Sales Tax Revenue	\$87,000
Borough Tax Revenue	\$49,000
Personal Income	\$1,058,000
Employment (full & part-time jobs)	41

As shown, upon stabilization of operations, the annual operations of a potential new Homer conference center (under this stand-alone scenario) is estimated to generate approximately \$1.6 million in direct spending and \$2.6 million in total economic output, supporting 41 full and part-time jobs in the local economy. This level of spending is estimated to generate approximately \$87,000 and \$49,000 in City and Borough sales tax revenue, respectively.



Beyond these quantifiable benefits (i.e., economic impacts), the effects of attracting non-local event attendees to the Homer area could impact numerous industries, enhance economic activity throughout the community and improve the quality of life for local residents. Primary visitor industries, including hotels, restaurants, retail establishments, local transportation and related industries can benefit directly from the potential conference center. Indirect effects can benefit various support industries, including the wholesale, distribution, manufacturing and other industries, as well as local residents.

Potential qualitative benefits for the area include:

- Reduction in Lost Local Impact – The limitations in Homer’s existing conference and meeting facility inventory suggests that some amount of event activity produced by *local area groups* may be leaving the community to be held elsewhere where suitable facilities exist (i.e., in surrounding regional cities). To the extent that these Homer-based groups must relocate outside of the local community (despite an interest in hosting events within Homer), the spending related to these events effectively represents “lost” economic activity for the local area. Should a new conference center be developed in Homer, it is possible that many of these “local” events could be recaptured. These potential impacts have not been quantified.
- New Visitation – New visitors will be attracted to the area because of a Center event. These attendees, in turn, may elect to return to the area later with their families, etc. for a vacation after visiting the area for the first time. These impacts have not been quantified.
- Spin-Off Development – New retail/business tends to invariably sprout up near the Center spurred by the operations and activities associated with the Center, representing additions to the local tax base. These impacts have not been quantified.
- Community Marketing – Attendees of certain Center events (particularly, conventions and conferences) tend to represent decision-makers and executives from a broad cross-section of industries. This exposure can benefit the area from a long-term business development perspective. These impacts have not been quantified.
- Economic Development Tool – From a long-term economic development and business prospecting perspective, a quality conference center and hotel product is often viewed as an attractive feature in a “complete” community’s array of amenities. Should a company be considering locating a business/division in Homer, the presence of a professional resource such as a conference center/hotel (that can be used for off-site meetings, training, to house corporate visitors, etc.) could be an important selling point for the community.



- **Community Use** – The local area lacks a quality upscale meeting facility to sufficiently accommodate local groups larger than approximately 200 persons. The proposed stand-alone facility could accommodate a single group size of more than 600 persons. Further, the facility could offer a resource for the growth in cultural, arts and education events, benefiting the community and its residents. These impacts have not been quantified.
- **Intangible Benefits** – There are a number of other intangible benefits of having a state-of-the-industry conference center in a community that have not been quantified. These include: (1) quality of life, (2) community reputation and image, (3) local gathering point, and (4) new advertising/use opportunities for local business.

Option 2: Public/Private Partnership with Hotel

Under this type of development scenario, quantification of facility event levels and associated impacts are relatively difficult to estimate, given the significant variables that exist with respect to what level of space is ultimately negotiated between the parties and what type of booking priorities and utilization management the property will operate under. The extent to which the public sector (City) could have influence over these items will likely depend on the relative amount it ultimately contributes to the project. Further, the type and extent of public sector participation in these partnership projects has varied enormously in communities across the country. For example, some public sector entities only have needed to provide tax incentives, while others (on the extreme end) have had to contribute a majority of funds to develop the hotel *in addition* to the convention/conference center.

For purposes of this analysis, we have assumed that any potential hotel/conference center project would include an amount of conference/meeting space slightly lower than what was outlined as “market supportable” in the previous chapter. Specifically, the property will include approximately 7,500 square feet of banquet space and 3,000 square feet of breakout meeting space. Additionally, we have assumed that facility marketing and bookings will be generally consistent with other comparable privately-owned hotel conference center properties.

Estimated Event Levels

Based on these assumptions and those discussed earlier, the exhibit on the following page presents a summary of the estimated number of events and utilization days for a new Homer conference center under development Option 2.



<u>Event Type</u>	<u>Number of Events</u>	<u>Event Days</u>	<u>Utilization Days</u>
State Convention & Conferences	8	20	28
Other Conferences	2	4	6
Public/Consumer Shows	4	10	20
Meetings/Banquets/Other Events	60	60	60
Total	74	94	114

As shown in the exhibit, a potential Homer conference center, under development Option 2, is estimated to host 74 events, comprising 114 utilization days in a stabilized year of operations (assumed to occur by the fourth year of operation). Eight of these events are assumed to represent the non-local state convention and conference events that would generate the majority of the new economic impact to the Homer community. Overall, the events estimated tend to be slightly smaller in terms of space used and attendance, as compared to those assumed under the stand-alone model.

Potential Costs

Potential public sector costs with respect to “securing” this type of development (hotel conference center public/private partnership) is extremely difficult to assess without prior discussions/negotiations with existing hotel owners and potential hotel developers. However, other recent small market communities facing similar opportunities may be helpful in framing some of these possibilities:

Watertown Events Center (Watertown, South Dakota) – The new Watertown Event Center opened in late 2004. The Event Center itself is owned by the City of Watertown and operated by the attached 101-room Ramkota Inn. The new Event Center space cost approximately \$7.5 million, \$5.5 million of which was provided by a City G.O. bond issue. Voters approved the issue through a public referendum which also slightly increased property tax levies. Additionally, the City contributed \$2 million in cash from its General Fund. The \$7.5 million figure is all-inclusive, with the exception of land for the project, which was donated by the Ramkota. As part of the deal, the Ramkota also agreed to various improvements to the hotel property, including the addition of new guestrooms and improvement of existing rooms, public areas and meeting/banquet space.

Richmond Holiday Inn and Conference Center (Richmond, Indiana) – The City is in the planning stages to secure a commitment with the existing Holiday Inn property in Richmond to add 25 guest rooms and nearly 20,000 square feet of new meeting and banquet space (comprising a \$9 million project). The public sector



investment will likely be between \$2 and \$4 million in upfront money. Alternately, the City is considering a Food & Beverage Tax that could serve as the funding source over a 20-year period (rather than a single upfront payment).

Lewisville Hotel and Conference Center (Lewisville, Texas) – Earlier this year, the City of Lewisville, Texas reached a deal with a hotel developer to develop 160-room limited service Hilton Garden Inn property and a 20,000-square foot conference center. The hotel developer will receive \$500,000 in tax abatements over 15 years. Additionally, the City will provide \$3.75 million in funds over the same period to assist with construction costs. The partnership agreement also provides a set amount of access to the conference space for City-related use/events.

As the facility under this development scenario would be owned and operated by a hotel, the financial operations of the conference center will be inextricably tied to the operations of the hotel itself. As such, it is not possible to develop a presentation of the estimated financial operations of the conference center component as an independent component. To effectively estimate the financial operations of the overall project, a hotel feasibility study and development of an associated financial operating pro forma would be required to evaluate the overall operations of a new hotel conference center project.

Potential Benefits

The following exhibit presents a summary of estimated economic impacts associated with a hotel-based conference center under Option 2.

Direct Spending By Industry:	
Hotel	\$348,000
Restaurant	359,000
Entertainment	76,000
Retail	141,000
Local Transit	43,000
Other Industries	<u>120,000</u>
Total Direct Spending	\$1,087,000
Total Indirect/Induced Spending	<u>\$667,000</u>
Total Economic Output	\$1,754,000
Tax Revenue:	
City Sales Tax Revenue	\$49,000
Borough Tax Revenue	\$33,000
Personal Income	\$708,000
Employment (full & part-time jobs)	28



As shown in the exhibit on the previous page, upon stabilization of operations, the annual operations of a potential new Homer conference center (under this hotel/conference center scenario) is estimated to generate approximately \$1.1 million in direct spending and \$1.8 million in total economic output, supporting approximately 28 full and part-time jobs in the local area. This level of spending is estimated to generate approximately \$49,000 and \$33,000 in City and Borough sales tax revenue, respectively.

Additionally, a new conference center under this development scenario could provide some of the same types of intangible benefits to the local Homer community as discussed under Option 1.

Option 3: Joint Use Build-Out with Another Public Project

Similar to the previous development scenario, it is difficult to evaluate various quantified aspects of a conference center under a joint use build-out with another public project until various physical facility and ownership/operational characteristics are better defined. However, several assumptions have been prepared to allow for a general comparison of key potential costs and benefits of such a development.

Specifically, it has been assumed that the amount of conference/meeting space developed under this scenario would be lower than either of the two previous scenarios. It is assumed that the facility would primarily be developed and operated to provide a community resource for local events and a small number of potential non-local events. As meeting planners of rotating state events have a variety of more traditional convention/conference facilities to choose from, it is believed that this type of project would be less attractive to these groups than either a stand-alone convention/conference center or a hotel conference center.

It is assumed that approximately 6,000 square feet of total meeting/banquet space would be developed under this development scenario. The assumed space would be flexible and capable of accommodating a variety of meetings, small conferences, banquets and receptions.



Estimated Event Levels

Based on these assumptions and those discussed earlier, the following exhibit presents a summary of the estimated number of events and utilization days for a new Homer conference center under development Option 3.

<u>Event Type</u>	<u>Number of Events</u>	<u>Event Days</u>	<u>Utilization Days</u>
State Convention & Conferences	4	8	11
Other Conferences	0	0	0
Public/Consumer Shows	3	8	15
Meetings/Banquets/Other Events	50	50	50
Total	57	65	76

As shown in the exhibit, a potential Homer conference center, under the joint use model, is estimated to host 57 events, comprising 76 utilization days in a stabilized year of operations. Four of these events (albeit smaller events than assumed under the other development scenarios) are assumed to represent the non-local state convention and conference events that would generate the majority of the new economic impact to the Homer community.

Potential Costs

Similar to the public/private partnership with a hotel, the financial operations of new conference/meeting space under this development option would likely be shared with the operations of the primary facility (i.e., City Hall, library, museum, etc.). However, it is believed that if the conference space is operated consistent to other "civic-oriented" facilities across the country (i.e., no booking preference or rent discounts for non-local events, effectively a "turn-key" operation where events must arrange for their own services such as food and beverage and audiovisual, etc.) and that staffing and overhead can be shared with the operations of the primary facility, there is opportunity for the space to effectively function as a "break-even" component, without having the City incur additional annual ongoing net costs to support its operation. In a certain sense, the Islands and Ocean Center could be considered a similar model to this end.

Potential Benefits

The following exhibit presents a summary of estimated economic impacts associated with a joint use conference center under Option 3.

Direct Spending By Industry:	
Hotel	\$168,000
Restaurant	173,000
Entertainment	37,000
Retail	68,000
Local Transit	21,000
Other Industries	<u>58,000</u>
Total Direct Spending	\$525,000
Total Indirect/Induced Spending	<u>\$322,000</u>
Total Economic Output	\$847,000
Tax Revenue:	
City Sales Tax Revenue	\$24,000
Borough Tax Revenue	\$16,000
Personal Income	\$342,000
Employment (full & part-time jobs)	13

As shown in the exhibit, upon stabilization of operations, the annual operations of a potential new Homer conference center (under this joint use scenario) is estimated to generate approximately \$525,000 in direct spending and \$847,000 in total economic output, supporting approximately 13 full and part-time positions in the local community. This level of spending is estimated to generate approximately \$24,000 and \$16,000 in City and Borough sales tax revenue, respectively. These figures are significantly lower than the other two development scenarios analyzed, primarily due the assumed "civic" orientation focus of the facility and lack of a traditional convention/conference center product.

Conclusions

The analysis suggests that a new conference center in Homer will generate a measurable amount of "new" economic spending and tax revenue in the local community. It will work to increase visitation levels and associated spending in the community, as well as providing local residents with a community resource in which to hold and attend events. Additionally, as is outlined within this chapter, there will also be a number of non-quantifiable, "intangible" benefits for the local community resulting from the operations of

a new center. While the market demand analysis suggests that a stand-alone, publicly-owned conference center may be utilized to a lesser degree than other comparable facilities across the country, the City can evaluate the estimated costs and benefits and make planning decisions based on its unique priorities. Nevertheless, a stand-alone, public project will likely require substantial annual operating subsidies, along with initial construction and annual reserve funding.

However, based on our understanding of the City's objectives with respect to the Town Center development project and the need for an "anchor" in the area, it is believed that public/private partnership with an existing or new hotel developer should be explored, with a preference for a Town Center proximate site. Based on analysis results, this type of project could provide the most advantageous mix of public benefits to public costs, while also fulfilling the need for a Town Center "activity anchor".

Should preliminary planning work and discussion with developers suggest little partnering interest or too high of public investments costs, further planning and exploration of a joint use project in Town Center should be pursued.



**Appendix A:
Telephone Survey of State Organizations**



Surveyed Organizations:

Alaska Air Carriers Association
Alaska Alcoholics Anonymous
Alaska Associated General Contractors
Alaska Association of Realtors
Alaska Auto Dealers Association
Alaska Baptists
Alaska Bar Association
Alaska Board of Marine Pilots
Alaska Broadcasters
Alaska Cabaret, Hotel, Restaurant and Retailers Association
Alaska Coal Association
Alaska Council of School Administrators
Alaska Dental Society
Alaska Hotel & Lodging Association
Alaska Independent Insurance Agents & Brokers
Alaska Kennel Club
Alaska Library Association
Alaska Marine Pilots Association
Alaska Miners Association
Alaska Oil & Gas Association
Alaska Outdoor Council
Alaska Private Career Educators
Alaska Rotary
Alaska State Medical Association
Alaska State Veterinary Medical Association
Alaska Support Industry Alliance
Alaska Telephone Association
Alaska Travel Industry Association
Commonwealth North
National Electric Contractors Association
Opticians Association, Alaska
Public Safety Employees Association of Alaska
Southwest Pilots Association
Supreme Emblem Club
United Fisherman's Association

Note: In addition to these interviews, more than 30 local residents were interviewed in Homer at the outset of the project.



State Organization Telephone Survey Questionnaire:

PLEASE ASSOCIATE SAMPLE INFORMATION WITH EACH RESPONSE
CAPTURE NAME OF RESPONDENT, ETC.

Date:
Contact Name:
Organization:
Telephone:

Hello, this is (INTERVIEWER) from Conventions, Sports & Leisure International. We are assisting the City of Homer, Alaska in evaluating the need for a new conference center in Homer Town Center. May I please speak with the person who plans the conference or convention events for your organization?
(ARRANGE CALLBACK TIME, IF NECESSARY)

CALLBACK TIME _____ AM/PM

(WHEN SPEAKING WITH MEETING PLANNER:) Hello, my name is (INTERVIEWER) with Conventions, Sports & Leisure International. We are assisting the City of Homer, Alaska in evaluating the need for a new conference center in the community. Consideration is currently being given to the potential development of such a facility. We're speaking with a limited number of meeting planners and would like to make sure your requirements are included in our assessment. Would you be able to answer some questions concerning your organization's events?

1. Does your organization have any recurring off-site conventions, conferences or meetings that require exhibit space, meeting or banquet space?

- 1. Yes
 - 2. No
- (If no, terminate survey)*

2. What recurring events does your organization produce? Where have you held your event in the past?

Name of Event #1	_____	_____
Name of Event #2	_____	_____
Name of Event #3	_____	_____
Name of Event #4	_____	_____



[The following questions pertain to the respective events indicated in Question 2.]

3. Please indicate the likelihood of your group rotating an event to Homer assuming the conference facility and community's hotel inventory meet the needs of your event.

<u>Event #1</u>	<u>Event #2</u>	<u>Event #3</u>	<u>Event #4</u>
1. Definitely	1. Definitely	1. Definitely	1. Definitely
2. Likely	2. Likely	2. Likely	2. Likely
3. Possibly	3. Possibly	3. Possibly	3. Possibly
4. Not likely	4. Not likely	4. Not likely	4. Not likely
5. Definitely not	5. Definitely not	5. Definitely not	5. Definitely not

(IF ALL EVENTS IN Q.3 RECEIVE 4 OR 5, GOTO Q.4 AND THEN TERMINATE SURVEY, OTHERWISE SKIP TO Q.5)

4. Why is your organization not likely to use a potential Homer conference center?
(OPEN ENDED)

(IF ANY EVENT IN Q.3 = 1, 2, OR 3, CONTINUE WITH SURVEY AND ONLY OBTAIN DATA CORRESPONDING TO EVENTS WITH Q.3 SCORES OF 1, 2, OR 3)

5. Not including any space used for breakout meetings or food functions, do any of these events require exhibit space? If yes, what is the average NET square feet of exhibit space required for these events?

Event #1 _____ sq. ft. (or _____ number of booths)
 Event #2 _____ sq. ft. (or _____ number of booths)
 Event #3 _____ sq. ft. (or _____ number of booths)
 Event #4 _____ sq. ft. (or _____ number of booths)

6. How many meeting rooms does this event(s) demand concurrently, that is, at the same time, at the following seating capacities? (READ LIST, PAUSING FOR ANSWER AFTER EACH)

<u>Seating Capacity</u>	<u>Event One</u>	<u>Event Two</u>	<u>Event Three</u>	<u>Event Four</u>
10 to 50 people	_____	_____	_____	_____
51 to 100	_____	_____	_____	_____
101 to 500	_____	_____	_____	_____
Over 500	_____	_____	_____	_____



7. What is the average delegate attendance for this event(s), not including spouses and exhibitors?

	Event One	Event Two	Event Three	Event Four
Attendance	_____	_____	_____	_____

8. In what month (or months) is your event(s) generally held?

	Event One	Event Two	Event Three	Event Four
Month(s)	_____	_____	_____	_____

9. What is the average number of utilization days per event?

	Event One	Event Two	Event Three	Event Four
Move-in Days	_____	_____	_____	_____
Event Days	_____	_____	_____	_____
Move-out Days	_____	_____	_____	_____

10. Do your events require a dedicated ballroom to accommodate meal functions?

	Event One	Event Two	Event Three	Event Four
Yes	_____	_____	_____	_____
No	_____	_____	_____	_____

11. (WHERE APPLICABLE) What is the typical attendance at the *largest* ballroom meal function?

	Event One	Event Two	Event Three	Event Four
Attendance	_____	_____	_____	_____

12. Do your events require a headquarters hotel that is attached or directly adjacent to the conference facility?

	Event One	Event Two	Event Three	Event Four
Yes	_____	_____	_____	_____
No	_____	_____	_____	_____



13. How many hotel rooms does your event block out on the peak night?

	Event One	Event Two	Event Three	Event Four
Hotel Rooms	_____	_____	_____	_____

14. What is the maximum number of hotel properties which you would use to achieve your room block?

	Event One	Event Two	Event Three	Event Four
# of Hotels	_____	_____	_____	_____

15. How would you expect your attendees to travel to Homer?

% by Car	_____
% by Airplane	_____
% by Train	_____
Other	_____

16. What is your organization's primary criteria for a potential destination and facility?
(OPEN ENDED)

17. What are your overall impressions of Homer as a host market for your events?
(OPEN ENDED)

Thank you very much for your participation!

**Appendix B:
Supplemental Methodology Information**



Methods Pertaining to the Analysis of Financial Operations

The analysis of financial operations is designed to assist project representatives in assessing the financial effects of the proposed conference center and cannot be considered to be a presentation of expected future results. Accordingly, the analysis of potential financial operating results may not be useful for other purposes. The assumptions disclosed within this report are not all inclusive, but are those deemed to be significant. Because events and circumstances frequently do not occur as expected, there usually will be differences between estimated and actual results, and these differences may be material.

This financial operating analysis only considers revenues and expenses generated through the operation of the conference facility itself and does not consider other potential ancillary income that may be related to the Center (such as parking income, admissions surcharges, interest income, etc.) nor does it consider other non-operating costs, such as construction costs or certain marketing efforts to non-local groups that are typically handled by destination market organizations (such as a convention & visitors bureau or chamber of commerce).

As with all new public assembly facilities, an initial startup period is assumed before event levels are anticipated to stabilize. Financial operating estimates prepared reflect a stabilized year of operation (assumed as the fourth year of operations) in terms of 2005 dollars. This analysis has been developed to reflect "net" operations. For instance, reimbursed event expenses and associated event revenues are not presented, rather, they are assumed to "pass through" the financial operating estimates developed in this section. Per capita revenue and expense assumptions were also developed using comparable and competitive facility data and industry experience with similar projects, along with consideration of the unique attributes of the Homer regional area marketplace and specific conditions envisioned for the proposed facility.

As in all studies of this type, the estimated results are based on competent and efficient facility management and assume that no significant changes in the various event markets will occur beyond those set forth in this report.

Operating Revenues

The primary sources of operating revenue for a potential Homer conference center include building rent, food service and other revenue. For purposes of this financial operating analysis, no parking revenue has been assumed to be retained by the Center. As previously stated, the revenue estimates are based on the market demand and supportable building program presented earlier in this report. The assumptions regarding the individual revenue



components are also based on a review of the operations of comparable facilities throughout the country and industry trend data.

Rental Revenue

Building rental revenues include charges for the leasing of facility spaces. Estimated rental revenues are based on estimates of the number of events within specific event categories, attendance levels, square footage used, assumed future growth rates, rental rates and receipts at comparable facilities, with an emphasis on state facilities.

Food and Beverage Revenue

Food service revenue consists of the sale of various food and beverage items at a potential Homer conference center. Revenue assumptions are based on estimated event and attendance levels and estimated per capita spending for various event types. Estimated food service revenue is presented in terms of net revenue retained by the facility. It has been assumed that a stand-alone Homer conference center (under Option 1) would either enter into an exclusive contract with a food service provider or maintain a "preferred vendor" policy. Under both potential policy scenarios, it has been assumed that the Center would retain a percentage of gross food and beverage revenues generated through Center events.

Other Revenue

Other revenue consists of contract services, including charges to event management and exhibitors for event-related services, such as providing electrical hook-ups and other utilities, leasing of equipment, providing security and cleaning services, advertising and other miscellaneous revenue items. Estimated service and equipment revenue is based on comparable facility financial operations and estimates of the number of events, attendance, square footage used, assumed future growth rates and receipts at comparable facilities.

Operating Expenses

The primary sources of operating expenses for a potential new Homer conference center include employee salaries and benefits, contract labor, utilities, repairs and maintenance, general and administrative, supplies and other expenses. The estimated operating expenses for a potential Homer conference center are based on historical operating expenses of comparable facilities and industry standards. Specifically, comparable facility operating



expense data was analyzed on a per square foot basis. Consideration was given to operating efficiencies that could be expected to occur at the potential Center, as well as cost of living adjustments specific to the Homer area and the surrounding region.

In estimating operating expenses, and staffing costs in particular, it is important that high-quality service is provided at a potential facility. Otherwise, the facility will not be in a position to attract and retain its market potential of event activity.

Salary, Wages, Benefits Expense

Estimated salaries and benefits include compensation for full- and part-time employees. Employee benefits include payments for employee hospitalization programs, unemployment compensation, workers' compensation, and FICA. The analysis of estimated salaries and benefits is based on the financial operations of comparable and competitive facilities, and a potential facility's size and event levels. It has been assumed that the Center will be staffed with personnel levels similar to that of other similar, well-managed centers. These estimates reflect the assumption that some full-time operations, maintenance, and setup staff will be maintained at the Center similar to most comparable facilities.

Other Expenses

The analysis of all the other expenses is based on industry averages and comparable facility operations and the levels of facility space. These expenses include:

Contract Labor is primarily comprised of costs for services including accounting and legal functions and other non-recurring consulting and advisory services. This also includes contractual services expenses, primarily consisting of costs for professional services including trash removal, cleaning, security and other such items.

Utilities expense at the proposed Center includes costs for electricity, water, gas and telephone.

General and administrative expenses include various day-to-day costs such as subscriptions, staff training, dues, staff travel, staff tuition reimbursement, licenses and permits, bad debt charges and other such items. This also includes costs related to administrative business-related expenses such as postage, administrative supplies, administrative furniture and fixtures, auto allowances, administrative travel, memberships and maintenance of the administrative space.



Supply and materials costs for the proposed Center include those materials, supplies and equipment used for facility operations and its administrative offices.

Miscellaneous expenses include maintenance and repairs, insurance, bad debt charges, staff vacation accrual and other miscellaneous operating expenses. In addition, certain advertising and promotion activities, insurance and other similar expenditures have been included in the miscellaneous expenses.

As discussed in the report, operating revenues and expenses associated with development Option 2 (public/private partnership with hotel) and Option 3 (joint use build-out) have not been estimated due to the significant nature of the shared operations of the facilities.

Methods Pertaining to the Analysis of Economic and Fiscal Impacts

The impact of a conference center is maximized when out-of-town attendees spend money in a community while attending a facility event. This spending by out-of-town attendees represents new money to the community hosting the event. This new money then creates multiplier effects as the initial spending is circulated throughout the local economy.

It is important to note that spending estimates associated with a potential Homer conference center only represent spending that is estimated to be *new* to the community ("net new" spending), directly attributable to the operation (and existence) of the facility. The analysis does not consider any assumed displaced spending within the community (i.e., spending by event attendees/producers that reside in the Homer area).

The characteristics of economic impact effects are generally discussed in terms of their *direct, indirect and induced effects* on the area economy:

- Direct effects consist principally of initial purchases made by delegates, attendees and exhibitors at an event who have arrived from out-of-town. This spending typically takes place in local hotels, restaurants, retail establishments and other such businesses. An example of direct spending is when an out-of-town event attendee pays a local hotel for overnight lodging accommodations.
- Indirect effects consist of the re-spending of the initial or direct expenditures. An example of indirect spending is when a restaurant purchases additional food and dining supplies as a result of new dining expenditures through increased patronage. A certain portion of these incremental supply expenditures occurs within the local community (i.e., "indirect spending," the type of which is quantified under this analysis), while another portion leaves the local economy (i.e., "leakage").

- Induced effects consist of the positive changes in employment, earnings and tax collections generated by changes in population associated with the direct and indirect expenditures.

The re-spending of dollars in an economy is estimated by using economic multipliers and applying them to the amount of direct, or initial spending. The *multiplier effect* is estimated in this analysis using a regional economic forecasting model provided by the Minnesota IMPLAN Group, Inc., a private economic modeling company. The IMPLAN system uses an input-output matrix with specific data for multipliers based on regional business patterns from across the country. Financial information for the matrix of multipliers is collected from various sources that include, but are not limited to, the U.S. Department of Labor, as well as state sales and tax reports. The system uses this data to determine the economic independence of specific geographic regions as well as the interdependence that exists between industries in those regions. The systems provide total industry output, personal earnings and employment data for approximately 520 industry groups.

The initial spending of new dollars into an economy begins a series in which the dollars are cycled through the economy. The re-spending of the dollars is estimated by using the economic multipliers discussed above and applying them to the amount of direct, or initial, spending. The multiplier illustrates that spending in a defined economy will lead to additional spending until that dollar has completed its cycle through leakage. Leakage represents the portion of a dollar spent in areas outside the designated economy such as the taxes paid on purchases of goods and services.

For purposes of this analysis, results of the economic impact analyses are measured in terms of the following categories:

- Total output represents the total direct, indirect and induced spending effects generated by the project. This calculation measures the total dollar change in output that occurs in the local economy for each dollar of output delivered to final demand.
- Personal earnings represent the wages and salaries earned by employees of businesses associated with or impacted by the project. In other words, the multiplier measures the total dollar change in earnings of households employed by the affected industries for each additional dollar of output delivered to final demand.
- Employment represents the number of full- and part-time jobs. The employment multiplier measures the total change in the number of jobs in the local economy for each additional \$1.0 million of output delivered to final demand.

The initial spending of new dollars into an economy begins a series in which the dollars are cycled through the economy. The re-spending of the dollars is estimated by using the

economic multipliers discussed above and applying them to the amount of direct, or initial, spending. The multiplier illustrates that spending in a defined economy will lead to additional spending until that dollar has completed its cycle through leakage. Leakage represents the portion of a dollar spent in areas outside the designated economy.

In addition to the economic impacts generated by a public assembly facility throughout the area, the public sector also realizes a generation of tax revenues. Based on the assumptions established earlier in this report and through these appendices, the primary fiscal impacts generated by the operation of a new conference facility in the Homer area have been quantified.

Based on calculations of direct spending, the resulting effects on tax collections have been calculated. Tax revenues are based on existing and planned tax rates. Changes in these rates will have an impact on the resulting tax collections.

The sales and hotel taxes have been calculated based on the existing tax rates applied to direct spending in their respective industries. For indirect spending estimates, sales tax sources have been quantified by applying a percentage of historical tax collections to the respective gross state product (GSP).

Certain non-quantifiable economic impacts (or intangible benefits) are discussed in Chapter VI of this report.

**Appendix C:
Key Market, Financial & Economic Assumptions**



**Feasibility Study of a Potential New Homer Conference Center
Summary of Key Market, Financial & Economic Assumptions**

Option 1	Option 2	Option 3
Stand-alone	Hotel/CC	Joint Use

Building Program (in square feet):

Exhibit Space	0	0	0
Ballroom/Multipurpose Space	10,000	7,500	0
Meeting Space	3,000	3,000	6,000
Total Sellable Space	13,000	10,500	6,000

Number of Events:

State/Reg. Assoc. Conventions/Conferences	10	8	4
Other Conventions/Conferences/Tradeshows	3	2	0
Public/Consumer Shows	5	4	3
Meetings/Banquets	40	60	50
Other Events	0	0	0
Total	58	74	57

Event Days Per Event:

State/Reg. Assoc. Conventions/Conferences	2.7	2.5	1.9
Other Conventions/Conferences/Tradeshows	2.5	2.2	1.5
Public/Consumer Shows	2.5	2.5	2.5
Meetings/Banquets	1.0	1.0	1.0
Other Events	0.0	0.0	0.0

Total Utilization Days Per Event (Move-in, Event, Move-out Days):

State/Reg. Assoc. Conventions/Conferences	3.7	3.5	2.7
Other Conventions/Conferences/Tradeshows	3.5	3.2	2.5
Public/Consumer Shows	5.0	5.0	5.0
Meetings/Banquets	1.0	1.0	1.0
Other Events	0.0	0.0	0.0



**Feasibility Study of a Potential New Homer Conference Center
Summary of Key Market, Financial & Economic Assumptions (continued)**

Option 1	Option 2	Option 3
Stand-alone	Hotel/CC	Joint Use

Average Gross Square Feet of Exhibit Space Per Day:

State/Reg. Assoc. Conventions/Conferences	0	0	0
Other Conventions/Conferences/Tradeshows	0	0	0
Public/Consumer Shows	0	0	0
Meetings/Banquets	0	0	0
Other Events	0	0	0

Average Gross Square Feet of Meeting Space Per Day:

State/Reg. Assoc. Conventions/Conferences	2,700	2,500	1,700
Other Conventions/Conferences/Tradeshows	2,700	2,500	1,500
Public/Consumer Shows	1,000	1,000	1,000
Meetings/Banquets	1,000	1,000	850
Other Events	0	0	0

Average Gross Square Feet of Ballroom Space Per Day:

State/Reg. Assoc. Conventions/Conferences	7,500	6,000	4,000
Other Conventions/Conferences/Tradeshows	7,500	6,000	4,000
Public/Consumer Shows	9,000	7,000	4,000
Meetings/Banquets	1,500	1,500	1,500
Other Events	0	0	0

Rental Rate Per Gross Square Foot of Exhibit Space (Per Event Day):

State/Reg. Assoc. Conventions/Conferences	\$0.07	\$0.07	\$0.07
Other Conventions/Conferences/Tradeshows	\$0.07	\$0.07	\$0.07
Public/Consumer Shows	\$0.09	\$0.09	\$0.09
Meetings/Banquets	\$0.09	\$0.09	\$0.09
Other Events	\$0.08	\$0.08	\$0.08

Note: Nominal move-in/move-out charges are assumed to be included in gross rates



**Feasibility Study of a Potential New Homer Conference Center
Summary of Key Market, Financial & Economic Assumptions (continued)**

Option 1	Option 2	Option 3
Stand-alone	Hotel/CC	Joint Use

Rental Rate Per Gross Square Foot of Meeting Space (Per Event Day):

State/Reg. Assoc. Conventions/Conferences	\$0.15	\$0.15	\$0.15
Other Conventions/Conferences/Tradeshows	\$0.15	\$0.15	\$0.15
Public/Consumer Shows	\$0.15	\$0.15	\$0.15
Meetings/Banquets	\$0.15	\$0.15	\$0.15
Other Events			

Rental Rate Per Gross Square Foot of Ballroom Space (Per Event Day):

State/Reg. Assoc. Conventions/Conferences	\$0.15	\$0.15	\$0.15
Other Conventions/Conferences/Tradeshows	\$0.15	\$0.15	\$0.15
Public/Consumer Shows	\$0.15	\$0.15	\$0.15
Meetings/Banquets	\$0.15	\$0.15	\$0.15
Other Events	\$0.15	\$0.15	\$0.15

Average Attendance:

State/Reg. Assoc. Conventions/Conferences	120	100	85
Other Conventions/Conferences/Tradeshows	120	100	85
Public/Consumer Shows	1,000	750	600
Meetings/Banquets	75	75	60
Other Events			

Percent of Attendance Non-Local

State/Reg. Assoc. Conventions/Conferences	100%	100%	100%
Other Conventions/Conferences/Tradeshows	75%	75%	75%
Public/Consumer Shows	30%	30%	30%
Meetings/Banquets	20%	20%	20%
Other Events			



**Feasibility Study of a Potential New Homer Conference Center
Summary of Key Market, Financial & Economic Assumptions (continued)**

Option 1	Option 2	Option 3
Stand-alone	Hotel/CC	Joint Use

Percent of Non-Locals Staying in Homer Hotels:

State/Reg. Assoc. Conventions/Conferences	100%	100%	100%
Other Conventions/Conferences/Tradeshows	100%	100%	100%
Public/Consumer Shows	100%	100%	100%
Meetings/Banquets	100%	100%	100%
Other Events			

Effective Extended Stay Days (for Homer Hotel Stays):

State/Reg. Assoc. Conventions/Conferences	0.2	0.2	0.2
Other Conventions/Conferences/Tradeshows	0.2	0.2	0.2
Public/Consumer Shows	0.4	0.4	0.4
Meetings/Banquets	0.2	0.2	0.2
Other Events			

Attendees Per Room

State/Reg. Assoc. Conventions/Conferences	1.2	1.2	1.2
Other Conventions/Conferences/Tradeshows	1.2	1.2	1.2
Public/Consumer Shows	1.2	1.2	1.2
Meetings/Banquets	1.2	1.2	1.2
Other Events	1.2	1.2	1.2

Average Food and Beverage Per Capita:

State/Reg. Assoc. Conventions/Conferences	\$9.00	\$9.00	\$9.00
Other Conventions/Conferences/Tradeshows	\$9.00	\$9.00	\$9.00
Public/Consumer Shows	\$1.75	\$1.75	\$1.75
Meetings/Banquets	\$6.00	\$6.00	\$6.00
Other Events			



**Feasibility Study of a Potential New Homer Conference Center
Summary of Key Market, Financial & Economic Assumptions (continued)**

Option 1	Option 2	Option 3
Stand-alone	Hotel/CC	Joint Use

Per Day Delegate Spending (Overnight Visitors):

State/Reg. Assoc. Conventions/Conferences	\$175	\$175	\$175
Other Conventions/Conferences/Tradeshows	\$175	\$175	\$175
Public/Consumer Shows	\$175	\$175	\$175
Meetings/Banquets	\$175	\$175	\$175
Other Events	\$175	\$175	\$175

Percentage of Spending by Industry

Hotel	32%	32%	32%
Restaurant	33%	33%	33%
Entertainment	7%	7%	7%
Retail	13%	13%	13%
Auto Rental	4%	4%	4%
Other Local Transit	0%	0%	0%
Other Industries	11%	11%	11%
Total	100%	100%	100%

Multipliers

	Output	Earnings	Employment
Hotel	1.6464	0.6642	24.2905
Restaurant	1.5773	0.6311	24.2905
Entertainment	1.6677	0.6929	28.6791
Retail	1.5523	0.6942	32.3137
Auto Rental	1.5803	0.7030	35.1875
Other Local Transit	1.5803	0.7030	35.1875
Other Industries	1.6782	0.5787	17.9262

Percent of Spending Applicable to Tax:

Hotel	100%	100%	100%
Restaurant	100%	100%	100%
Entertainment	100%	100%	100%
Retail	100%	100%	100%
Auto Rental	100%	100%	100%
Other Local Transit	100%	100%	100%
Other Industries	100%	100%	100%



**Homer Secondary School
Condition Overview**



ECI/Hyer, Inc.
April 3, 2007

Acknowledgements

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Executive Summary

On February 26, 2007 a team of architects and engineers visited the old Homer Secondary School. The purpose of the visit was to assess the general condition of the building and determine what upgrades would be required to convert the building to house City government functions.

The building currently provides classroom and office space to the Kachemak Campus of the University of Alaska and to the Homer Boys and Girls Club. As-built drawings for the building, provided by the City of Homer, were reviewed to determine the type of systems present in the building. These were confirmed, in part, by a field visit to the facility. Conclusions and recommendations included in this report are contingent upon limited investigation.

In general, it was determined that renovations and upgrades needed to make the old School an appropriate location for Civic Offices and an Assembly Hall would be approximately the same as construction of a new building on a site with reasonably good soils. Total project cost for upgrades is estimated at \$478 per square foot in 2007 dollars (corresponding to a construction cost of \$359 per square foot). Please refer to the cost analysis included at the end of this report.

It should be noted that the existing facility provides an excellent home for the Boys and Girls Club, and the classrooms on the upper level function very well as classrooms. The costs of relocating these functions should be taken into consideration when determining the future of the building.

Introduction

Originally constructed in 1956 as the Homer High School, the two-story structure is located at the corner of Pioneer Avenue and Stirling Highway. Neighboring land is occupied by the middle school, a veterinary clinic, a hotel and other small businesses.

Since approximately 1998 the upper level has been occupied by an extension of the Kachemak Bay Campus of the Kenai Peninsula College. The lower level is occupied by the Homer Clubhouse, a program administered by the Boys and Girls Club of the Kenai Peninsula.

Exterior Enclosure

The exterior wall and window assemblies appear to be original.

Windows are wood-framed with ½” insulating units consisting of 2 layers of 1/8” glass separated by a ¼” airspace. Operable lower and upper windows are provided at classrooms, most of which appear to be functioning.

The typical exterior wall assembly is comprised of the following layers:

- heavy-gage galvanized/painted metal siding (composite siding with battens surrounding major areas of glazing)
- kraft paper
- 5/8” plywood sheathing
- 2x6 wood studs at 16” o.c. (2x8 wood studs at gymnasium)
- 2” batt insulation
- vapor retarder
- ½” finish plywood or marlite sheathing

The typical low-slope roof assembly is comprised of the following layers:

- built-up roof membrane
- 2” rigid insulation
- vapor retarder (assumed to be present but not confirmed)
- tongue-and-groove decking
- structural members (glulams at classroom areas and long-span steel joists at gym)

In general the exterior enclosure is in very good condition considering its age. The roof membrane appears to be due for refurbishment, but we were not made aware of any roof leaks and none were immediately evident. The primary concern with the roof is a lack of overflow drains. Under current code requirements overflow drains are required to prevent overloading the roof structure in case of drain blockage. Considerable amounts of water could potentially build up on the roof if the roof drain system were to fail. This would add significant stress to the roof structure.

The metal siding has been dented in multiple locations, particularly at the south side of the building, but appears to be performing well in terms of weather protection for the building. Paint is beginning to chip and peel off the siding in multiple locations, particularly at the base of walls and where damage has occurred. This situation is most prevalent along the eastern wall base where soil and lawn is up against the material. In general the paint is tired and faded. The composite siding also appears to be in good condition, but is in need of a coat of paint.

Concrete retaining walls are present along several portions of the building. In discussions with City staff, we learned that these walls have been the source of moisture migration into the first level of the building, particularly along the east wall where the water service enters the building and along the north wall of the lower level classroom. The adjacent grade slopes towards both of these locations causing ponding during break-up.

While the exterior enclosure is in surprisingly good condition, it performs very poorly in terms of energy efficiency. Existing insulation in exterior stud walls can be expected to provide an overall R-value of no more than R-5. Insulation at the roof can be expected to provide an overall R-value of no more than R-7, assuming the insulation has retained some of its original thermal properties. The national energy code recommends a minimum value of R-13 at walls and R-15 at roofs for wood framed commercial structures in our region. The existing windows can be expected to allow more than twice the heat loss and three times the solar gain of modern glazed units. Making matters worse, cantilevered roof decking along the entire building perimeter creates a continuous thermal bridge at the eave level. Considerable heat loss is likely at this location.

Interior Finishes

In general, interior finishes are in very good condition. A large number of wall finishes are original including plywood wall cladding and wood doors in all classroom areas. Flooring and a number of common space wall finishes were upgraded when the Kachemak Bay Campus moved into the building approximately eight years ago. Wood windows are showing deterioration in some locations but are in surprisingly good condition considering their age.

Asbestos containing materials were not specifically identified, but should be anticipated throughout the building due to its age. Materials of concern may include flooring and other adhesives, resilient floor tiles that may be present under newer carpet and sheet vinyl, wall joint compounds, mechanical insulation, roofing materials, and other areas to be determined. A complete hazmat survey is recommended before any major renovations are undertaken.

Structural: Existing Conditions

The building consists of three distinct structural areas: The Classroom Wing; the Central Core and the Gymnasium.

Classroom Wing Structural Systems

The one story classroom wing measures approximately 99 feet x 63 feet. The structure is of wood construction with a concrete slab on grade floor and poured concrete foundation walls on continuous concrete footings. Gravity loads, including snow load and building dead load are supported by perimeter and interior post and beams and interior bearing walls. The roof is sheathed with structural tongue and groove planks applied diagonally to the roof beams. Beam spans and column grids vary from 24 feet to 36 feet along the longitudinal axis of the classroom wing. The beam span and column grid coincide with the original classroom partition walls, although subsequent remodeling of a portion of the classroom area has resulted in the construction of additional non-bearing partition walls. Beams are spaced at approximately 8 feet on center.

Two interior bearing walls, with 2x6 studs spaced at 16" form the corridor along the building's central axis. The notes on the structural drawings state that lateral loads are transferred to braced interior partitions, although no bracing details for the partitions were found on the drawings. Section details for the walls indicate that the walls are sheathed with 5/8" gypsum wallboard. Plywood sheathing is not indicated for the interior corridor walls.

Non-bearing end walls are framed with 2x wood studs with plywood sheathing.

A concrete utilidor around the perimeter of the classroom wing provides access to under floor mechanical systems.

Central Core Structural Systems

The central core measures approximately 25 feet x 111 feet. A two story section of the central cores, measuring 63 feet x 25 feet aligns with the classroom wing and gymnasium. A one story section of the central core extends to the north approximately 48 feet. The central core structure consists of poured. Reinforced concrete walls with continuous concrete footings. The ground floor is a concrete slab on grade and is located one story below the main floor of the classroom addition. The second floor structure consists of steel bar joists with a steel deck sheathing and concrete topping slab. The steel joists are supported by the concrete bearing walls and steel beam headers.

Gymnasium Structural Systems

The gymnasium measures approximately 97 feet x 63 feet. The roof structure consists of steel joists spanning across the 63 foot dimension with nominal two inch thick tongue and groove plank sheathing. The steel joists are supported by 8x8 wood columns. The walls are formed by 2x8 wood studs spaced at 16" o/c and spanning full height from floor to roof deck. The perimeter columns and wall studs are supported on reinforced concrete foundation walls and continuous concrete footings.

The gymnasium structural floor consists of a concrete slab on grade. The finish floor is hardwood planks set on sleepers over the structural slab.

Structural: General Building Condition

Roof Structure

The underside of the roof structure was observed at one location from the existing science lab in the classroom wing.

Structural: Loading

Notes contained on the original drawings indicate the criteria used to design structural systems and are summarized as follows:

Floor Live Load (Classrooms/Offices):	50 psf
Floor Live Load: (Entrances/stairs)	100 psf
Design Snow Load:	30 psf
Wind Load:	30 psf
Seismic Coefficient:	C=0.133

Snow Loads

Ground snow loads have exceeded 30 psf during the life of the structure and will probably have and will continue to reach the current Homer design snow load of 50 psf. It is likely that the roof structure has not been subjected to loads in excess of the 30 psf design due to the unventilated 'hot roof' design of the thermal envelope. Poorly insulated hot roof systems typically lose enough heat to melt snow and to prevent accumulation of deep snow pack. Increasing the thermal resistance of the roof in order to reduce future energy costs would increase the effective snow load on the structure.

Floor Live Loads

The slab on grade in the gymnasium, classroom wing and ground floor of the central core would be adequate for proposed office use. The second floor of the central core area may be adequate for 50 psf office floor live load, although further investigation would be warranted to determine if the floor is capable of supporting the design live load plus a Code prescribed allowance of 20 psf for interior partitions.

Wind Loads

The 30 psf wind load used for design of the original building appear to be adequate to meet wind horizontal wind load requirements of 2003 IBC. Further investigation would be required to determine if the structure could meet current wind uplift requirements.

Seismic Loads

Seismic Loads are determined as the product of the building's dead weight plus a percentage of design snow load, multiplied by the seismic coefficient. Increased building dead load that would result from the addition of roof insulation, along with the increased design snow load and increased seismic coefficient would result in the structure being subjected to seismic loads significantly larger than assumed for the original design.

Structural: Potential Upgrade Requirements

The increased snow load requirement and provision of an improved thermal envelope will result in the need to increase the structural capacity of the roof framing.

Class Room Wing

In the classroom area, this could be accomplished by either adding columns to shorten the span of existing beams, or by adding additional lines of beams and columns to reduce the tributary load area for existing beams or, by some combination of these two options. It may be necessary to provide additional lines of beams if the roof decking is incapable of supporting the increased snow load.

In either case, it would be necessary to cut the existing floor slab to provide additional footings under new columns or to increase the load carrying capacity of footings at existing columns.

New columns could most likely be located to coincide with new partitions required for the change of use from classroom space to office space. Existing suspended ceiling grids, lighting and wiring would need to be removed and replaced in order to add new beams.

The structural capacity of the roof diaphragm will need to be augmented by adding a layer of plywood sheathing over the existing tongue and groove sheathing. Existing roofing materials and roof insulation will need to be removed in order to apply the new plywood sheathing directly to the existing decking.

The shear capacity of the existing interior corridor bearing walls will need to be increased in order to handle the increased seismic loading. Gypsum wallboard will need to be removed in order to expose the wood framing and to apply plywood sheathing and seismic hold downs.

Central Core

The snow load capacity of the roof in the central core area will need to be increased. The most practical way to provide additional capacity may be to add a vaulted roof over the central core. The roof could be vaulted with wood trusses designed to span across the 25 foot dimension of the core. The trusses would be supported on existing concrete walls.

The lateral load shear capacity of the existing concrete walls is adequate, although the connection between the roof diaphragm and the walls may need to be strengthened to meet current codes.

Gymnasium

The load capacity of the gymnasium roof could be increased by adding a line of structural columns at midspan of the roof trusses. The truss bearing points would need to be reinforced and it would be necessary to either overlay the existing decking with another layer of diagonal decking to increase the snow load capacity. The new columns would be supported by new square concrete pad footings cut into the existing floor slab.

The lateral load capacity of the existing walls is probably adequate to meet current codes.

Structural: Site Conditions

The exterior grading around the school appears to be fine with the exception of the north wind of the central core area. This portion of the building is partially underground. Floor level at one side is at grade level and at the opposite side floor level is about 5 or 6 feet below grade. Reportedly, groundwater has leaked into the floor along the sub-grade wall in the past. The leak is probably the result of groundwater flowing down gradient and accumulating against the subgrade wall. The situation could be corrected by installing a sub surface drain along the wall and extending it to daylight in the drainage swale lying north of the building. The ground surface should also be regarded to direct surface water away from this area.

Structural: Summary

The old Homer High School could be converted to offices with the following upgrades:

1. Increased snow load will require structural upgrades to roof framing.
Snow Load: 30psf-Original Design 50 psf Current City of Homer Code
2. Increased Seismic load requirements will require upgrades to interior shear walls in the classroom wing.
Seismic Coefficient: C=0.133-Original Design C=0.154- 2003 IBC
3. Diagonal T&G Roof Diaphragm may not provide adequate capacity to resist lateral loads.
4. Drawings refer to 'braced' interior shear walls but bracing is not detailed on the drawings. Interior shear walls will likely need to be reinforced with plywood sheathing to meet seismic requirements.
5. Site should be re-graded in wing area of central core to direct surface flow away from structure.
6. Subdrain should be installed on uphill side of 'wing' to intercept groundwater flow and direct it towards drainage swale.

Mechanical systems

1. Fire protection system

- a. Sprinkler system: There was no fire suppression system observed at the school. It is possible that the Fire Marshal could construe a requirement for fire suppression at the building because an A-3 occupancy over 12,000 SF requires fire suppression. The gym downstairs is an A-3 occupancy, and if a court room is put in the building, it too would be an A-3. The International Building Code defines civic administration as well as education occupancies beyond 12th grade as a B occupancy, so while the upstairs occupancy may not change occupancy classifications, the remodel may create a need for compliance with current code

2. Fuel system

- a. Fuel tank: There is an above grade steel fuel tank in the rear of the building. The age and size of the tank are unknown, but the tank visually appears to be in good condition.

3. Roof drains

- a. The roof is relatively flat, with a designed slope of 4" from the edge of the roof to the center. There is also a 3" cant strip edge around the perimeter, which could create a 7" deep pond (worse case in the center) if the main roof drains were to clog. The original design shows four main roof drains, with no overflow drains, all piped to a main 6" rain leader leaving the building with no relief drain. The IBC requires that overflow roof drains be installed with an inlet weir 2" above the main drain, but no overflow drains are installed. Either overflow drains with independent piping out of the building need to be installed, or structural calcs need to be prepared to show that the roof can support the total possible amount of water that can collect on the roof in the event of a blockage of the main roof drains.

4. Heat generation

- a. The building is heated using a 1958 vintage cast iron boiler that was originally steam, but now is converted to a hydronic boiler. The interior of the boiler has some loose fire brick, but the unit appears in relatively good condition for its age. The useful life of the boiler has been exceeded, and so it is recommended that the boiler be replaced with a new, more energy efficient unit if the building is to remain in service for any length of time. The boiler most likely has asbestos insulation around the outside and asbestos rope between the castings.
- b. The condition of the boiler flue is unknown. It is recommended that a chimney expert be employed to examine the chimney to avoid a potential fire or blockage. As viewed from the outside, the masonry chimney has rust stains, indicating possible corrosion of the rebar in the concrete. This could have caused internal sloughing of concrete into the chimney, potentially blocking the flue.
- c. The burner for the boiler is in good condition, as it was apparently replaced at some point during the last 10 years. The burner is rated at 12 gallons per hour, and it appears to be sized adequately

to heat the building. Unless a city hall occupancy requires significantly more outside air ventilation, the boiler sizing should be adequate for an occupancy change.

5. Heat distribution

- a. There was a conversion from steam to hydronic around 1996 based on the age of the water heater. The conversion appears to be in good condition, with relatively new pumps, expansion tanks, and specialties. The age and condition of the piping within the building is unknown, however. According to the original plans, there is a perimeter utilidor under the floor that carries the heating piping around the edge of the building that can then be routed up to each classroom ventilator. We could not get access to the utilidor during the visit, so the condition of this area is unknown.

6. System controls

- a. The building heating and ventilation systems are controlled using the original pneumatic controls, with a upgraded compressor and air dryer. The upstairs classrooms are controlled using original or replacement pneumatic thermostats that are apparently still in operational condition. In order to achieve energy savings, a new direct digital control system should be considered.

7. Combustion air

- a. Combustion air for the boiler is ducted down directly from above the room into the mechanical room. The system appears to be adequate based on 50 years of performance, and no observed sooting in the boiler room.

8. Cooling and Ventilation

- a. Air handling: There are no air handlers in the building. Each of the classrooms is heated and ventilated using a Nesbitt classroom ventilator located under the windows. The device is designed to take outside air from below the unit at the outside wall, and duct air up into the bottom of the ventilator, where it can also be mixed with return air from the classroom itself using mixing dampers. When one enters the building, a musty smell is evident. This suggests that the classroom ventilators are not taking in any outside air, so the same room air is recirculating. While there are operable windows in the classrooms, it is not likely that they are opened or effective during cold, windy winter months. If the owner wishes to convert the classrooms to more of an office environment as expected in a city hall, than it is probable that the rooms will overheat due to the additional heat load generated by the electronic equipment typical of any office. The original construction, which appears to be still in place, has a design for fixed exhaust air coming out of each classroom totaling 4,525 CFM for all classrooms. The multipurpose room has an exhaust fan sized at 4,300 CFM. The toilet rooms exhaust 1,410 CFM, and the kitchen exhausted 1,900 CFM by design. The amount of actual exhaust air is unknown, although one of the exhaust fans was visited and it was operational. The system has been maintained amazingly well for its age, but it is not at all efficient.
- b. VAV option: If a more responsive centralized air handling system is desired, such that it can satisfy different and varying cooling loads to different spaces, than a medium pressure variable air volume (VAV) system should be considered. This type of system would require a more sophisticated control system, a new air handler and duct system, with VAV boxes for each space served that will vary the amount of cooling air depending on each space need. If this type of system is desired, than a split system air conditioner is also recommended, with the direct expansion compressor or chiller located outside. A reheat coil could be placed in each zone served, and the main supply air would be kept to 55 degrees (with a cold deck reset) with the amount of cooling air varied according to demand. Alternatively, separate unit ventilators could be installed at each space with cooling capability that would eliminate the need for a new ducted system centralized.

9. Plumbing fixtures

- a. Lavs: The restrooms are all equipped with china lay-in lavs that appear to be ADA compliant and in good condition. No changes are recommended for the lavs, except for replacement of the faucets with automatic closure, motion detector activated faucets that will save water. Metered

faucets are code required for occupancies serving a transient public, such as an airport, but they are not a code requirement for this or a city hall occupancy per UPC 402.4, so this is just a water saving suggestion.

- b. The urinals in the men's room appear to be in good condition, and would work well for present or future occupancies.
- c. Water closets: The toilets appear to be in good condition, and would work well for present or future occupancies. There is also an ADA unisex toilet room on the second floor that appears to be in good condition, and would work well for a city hall environment serving the public.
- d. Sinks; There is a three compartment sink in the old kitchen downstairs.

10. Kitchen Facility

- a. Ranges: Ductwork in the old kitchen adjacent to the MPR has been capped off, and any ranges have been removed.
- b. Convection ovens: There remains only two convection ovens that are ducted to the existing ductwork. It appears that the facility once had a full commercial kitchen that has been removed now, and that no food preparation is presently being done with the possible exception of some heating of food in the convection ovens.

Electrical systems

1. Electrical service

- a. Size: The original design requirement for the electrical service was 120/208 volts, three phase, and 800 amps capacity. This size of service should be adequate for both the existing occupancy as well as any planned conversion to a city hall.
- b. Age/condition: The main distribution panel is original equipment, as well as panels in the upstairs hallway. The main service should be replaced due to obsolesce and unreliability of the old service equipment.

2. Power distribution

- a. Type: All power is distributed throughout the building through a main distribution panel.
- b. Condition: Power distribution that was visible is in conduit, and appears to be done professionally.
- c. Panels: Panels located in the boiler room are of a newer vintage than the remaining panels observed in the upstairs corridors. It is likely that parts are no longer available for the original electrical equipment, so all original panels should be replaced. It is not possible to determine the condition of the existing wiring, because the relative age of the wiring is not known. Original wiring is most likely at the end of its useful life and should be replaced, especially if the occupancy changes to a more energy intensive city hall environment.

3. Electrical devices

- a. Interior outlets: The interior outlets appeared to be in good condition, although continuity and polarity testing was not done on the outlets to confirm proper wiring. The upstairs classrooms have had additional outlets installed, piped with surface conduit. With the additional receptacles, there are now four receptacles per classroom. This will not be adequate for a city hall office environment, so significant electrical upgrades will be necessary.

4. Lighting systems

- a. Exterior Lighting: There are exterior lights on the front and sides of the building.
- b. Interior lighting: The classroom lighting, and hall lighting uses 4' T-12 fluorescent lamps, with magnetic ballasts. These fixtures can all be replaced with newer technology T-8 lamps with matching electronic ballasts. A lighting retrofit could save up to 50% of lighting energy if the proper ballast/lamp combination is selected. There is a definite opportunity for energy savings with a lighting upgrade, regardless of the intended occupancy.
- c. Light switching: Lights are switched off and on manually. Dual technology occupancy sensors can automatically shut off lighting in classrooms, restrooms, janitor closets, offices, and other places,

resulting in huge potential energy savings. Many of the classrooms were vacant during our visit, but most of the lights were on.

- d. Emergency egress lighting: The emergency egress lighting system needs to be checked when it is dark outside to determine if adequate light is available along the egress path. Also, current codes require that emergency egress lighting in places that require two exits (this is the case here) require that the lighting continues to the outside. This means that remote emergency heads need to be installed outside each exit as well as along the egress path.

5. Signage

- a. Exit signs: There are a few exit signs, however there needs to be a survey of all signage, and an upgrade of the exit signs throughout the facility to bring it up to code. A person should be able to see two exit signs from any place he is standing.

Homer Secondary School -- Conversion to Civic Offices and Assembly Hall						
Feasibility Study						
Order of Magnitude Cost Estimate						
Building Areas						
Gym Area		5700	sf			
Lower Level Area		2800	sf			
Upper Level Area		8300	sf			
Total Building Area		16800	sf			
Architectural						
Replace Siding, Windows, Insulation	11880	sf	\$55	psf		\$653,400
Damproof Foundation Walls, Upgrade Fdn Drain, Regrade	660	lf	\$85	plf		\$56,100
Renovations: Gym	5700	sf	\$110	psf		\$627,000
Renovations: Lower Level	2800	sf	\$80	psf		\$224,000
Renovations: Upper Level	8300	sf	\$80	psf		\$664,000
Replace Roofing Assembly, Complete	15200	sf	\$25	psf		\$380,000
Architectural Subtotal						\$2,604,500
Structural						
Upgrade Roof Structure	15200	sf	\$15	psf		\$228,000
Upgrade Shear Walls: Upper Level	480	lf	\$140	plf		\$67,200
Upgrade Shear Walls: Lower Level	230	lf	\$240	plf		\$55,200
Structural Subtotal						\$350,400
Mechanical						
New Sprinkler System	16800	sf	\$8	psf		\$134,400
New Boilers & Heating Distribution System	16800	sf	\$17	psf		\$285,600
New Air Handlers & VAV Air Distribution System	16800	sf	\$23	psf		\$386,400
New Bathrooms: Lower Level	2	@	\$75,000	per		\$150,000
Add Roof Overflow Drain System With Heat Trace	16800	@	\$3	psf		\$50,400
Mechanical Subtotal						\$1,006,800
Electrical						
Replace Power Distribution System	16800	sf	\$8	psf		\$134,400
Replace All Lighting	16800	sf	\$14	psf		\$235,200
New Fire Alarm System	16800	sf	\$4	psf		\$67,200
New Telecom Distribution System	16800	sf	\$8	psf		\$134,400
Electrical Subtotal						\$571,200

**Homer Secondary School
Condition Overview**

ECI/Hyer, Inc.
April 3, 2007

General Contractor Costs		
Construction Subtotal		\$4,532,900
General Conditions	10%	\$453,290
Hazmat Abatement (allowance)		\$500,000
Contractor Overhead & Profit	10%	\$548,619
Total Estimated Construction Cost (2007 Dollars)		\$6,034,809
Total Construction Cost Per Square Foot (2007 Dollars)		\$359
Permits and Fees		
Permits and Fees	2%	\$120,696
Design	10%	\$603,481
Construction Admin & Management	5%	\$301,740
Furniture, Fixtures, Equipment	5%	\$301,740
1% For Art	1%	\$60,348
Project Contingency	10%	\$603,481
Total Estimated Project Cost (2007 Dollars)		\$8,026,296
Total Project Cost Per Square Foot (2007 Dollars)		\$478
Comparison of Construction Cost Per Square Foot in 2007 Dollars		
Convert Homer Secondary School to Civic Office & Assembly Use		\$359
New Construction Estimate: Steel-framed Class A Office in Homer		\$336
Homer Library Construction Cost Escalated to 2007 Dollars		\$385
Girdwood Library Construction Cost (Bid in February 2007)		\$392

EDA AMERICAN RESCUE PLAN



The American Rescue Plan allocates \$3 billion to EDA in supplemental funding to assist communities nationwide in their efforts to build back better by accelerating the economic recovery from the coronavirus pandemic and building local economies that will be resilient to future economic shocks.

American Rescue Plan funding enables EDA to provide larger, more transformational investments across the nation while utilizing its greatest strengths, including flexible funding to support community-led economic development.

EDA is making a *Coal Communities Commitment*, designating \$300 million of its \$3 billion American Rescue Plan appropriation to ensure support for these communities as they recover from the pandemic and create new jobs and opportunities, including through the creation or expansion of a new industry sector.

STATEWIDE PLANNING, RESEARCH & NETWORKS \$90M		BUILD BACK BETTER REGIONAL CHALLENGE \$1B	TRAVEL, TOURISM & OUTDOOR RECREATION \$750M	ECONOMIC ADJUSTMENT ASSISTANCE \$500M	INDIGENOUS COMMUNITIES \$100M	GOOD JOBS CHALLENGE \$500M
GOAL	EDA is supporting states in planning efforts, investing in research that assesses the effectiveness of EDA's programs, and supporting stakeholder communities around key EDA initiatives.	This Challenge is designed to assist communities nationwide in their efforts to build back better by accelerating the economic recovery from the coronavirus pandemic and building local economies that will be resilient to future economic shocks. <i>\$100M for Coal Communities</i>	Through state and competitive grant programs, EDA is focused on accelerating the recovery of communities that rely on the travel, tourism and outdoor recreation sectors, which were hard-hit by the pandemic.	This program will help hundreds of communities across the nation plan, build, innovate, and put people back to work through construction or non-construction projects designed to meet local needs. <i>\$200M for Coal Communities</i>	EDA is allocating \$100 million in American Rescue Plan funding specifically for Indigenous communities, which were disproportionately impacted by the pandemic.	This Challenge aims to get Americans back to work by building and strengthening regional systems and sectoral partnerships to train workers with in-demand skills that lead to good-paying jobs.
SPLIT	Planning: \$59M Research & Networks: \$31M	Phase 1: <\$500k each Phase 2: \$25-75M, up to \$100M	State grants: \$510M Competitive: \$240M			
APPLICANTS	State or designated entity National research & TA providers	All EDA eligibles Phase 1 finalists	State or designated entity All EDA eligibles	All EDA eligibles	Tribes and organizations serving Native Hawaiians and Pacific Islanders.	All EDA eligibles
APPLICATION PROCESS	By Invitation Rolling	National competition National competition	State grants allocation Rolling	Rolling	Rolling	National competition
APPLICATION DEADLINE	STATE PLANNING GRANTS Application due 60 days after receiving invitation RESEARCH AND NETWORKS GRANTS Suggested application submission date: October 31, 2021	Phase 1 deadline: October 19, 2021 Phase 2 deadline: March 15, 2022	STATE TOURISM GRANTS Application due 60 days after receiving invitation COMPETITIVE TOURISM GRANTS Suggested application submission date: March 15, 2022	Suggested application submission date: March 15, 2022	Suggested application submission date: March 15, 2022	Application deadline: January 26, 2022

NOTICE OF FUNDING OPPORTUNITY EXECUTIVE SUMMARY

- **Federal Agency Name:** Economic Development Administration (EDA or the Agency), U.S. Department of Commerce (DOC).
- **Federal Funding Opportunity Title:** FY 2021 American Rescue Plan Act Travel, Tourism, and Outdoor Recreation Notice of Funding Opportunity (NOFO) (ARPA Tourism NOFO).
- **Announcement Type and Date:** ARPA Tourism NOFO announcement publishing EDA’s application submission requirements and application review procedures under EDA’s Economic Adjustment Assistance (EAA) program, as authorized by sections 209 and 703 of the Public Works and Economic Development Act of 1965, as amended (42 U.S.C. § 3121 *et seq.*) (PWEDA). **Effective date:** July 22, 2021.
- **Funding Opportunity Number:** EDA-2021-ARPATOURISM
- **Catalog of Federal Domestic Assistance (CFDA) Number:** 11.307, Economic Adjustment Assistance
- **Dates:** There are two components under this NOFO: (1) State Travel, Tourism, and Outdoor Recreation Grants (State Tourism Grants) and (2) EDA Travel, Tourism, and Outdoor Recreation Competitive Grants (EDA Competitive Tourism Grants).

For State Tourism Grants, EDA will invite States to apply using specific streamlined procedures and will specify application submission dates in the application letter.

For EDA Competitive Tourism Grants, there are no application submission deadlines. Applications will be accepted on an ongoing basis until the publication of a new ARPA Tourism NOFO, cancellation of this NOFO, or all available funds have been expended. While EDA encourages eligible applicants to submit their applications as soon as possible, EDA strongly advises eligible applicants to submit complete applications no later than **January 31, 2022** so that EDA can review and process the application in time to get a potential award in place prior to deadlines imposed by Congress. **Submission by January 31, 2022 is not a guarantee of funding.** Any award is subject to the availability of funds. See Section E of this ARPA Tourism NOFO regarding EDA’s review process.

- **Eligible Applicants:** For State Tourism Grants, eligible applicants are limited to States. Under section 3(10) of PWEDA the term “State” includes the fifty States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, the Republic of the Marshall Islands, the Federated States of Micronesia, and the Republic of Palau.

For EDA Competitive Tourism Grants, eligible entities include a(n): (i) District Organization of an EDA-designated Economic Development District (EDD); (ii) Indian Tribe or a consortium of Indian Tribes; (iii) State, county, city, or other political subdivision of a State, including a special purpose unit of a State or local government engaged in economic or infrastructure development activities, or a consortium of political subdivisions; (iv) institution of higher education or a consortium of institutions of higher education; or (v) public or private non-profit organization or association acting in cooperation with officials of a general purpose political subdivision of a State. 42 U.S.C. § 3122(4)(A); 13 C.F.R. § 300.3.

Under this program, EDA is not authorized to provide grants or cooperative agreements to individuals or to for-profit entities. Requests from such entities will not be considered for funding.

- **Funding Opportunity Description:** Subject to the availability of funds, awards made under this NOFO will help communities and regions devise and implement sustainable economic recovery strategies through a variety of non-construction and construction projects to respond to damage to the travel, tourism, and outdoor recreation sectors from the coronavirus pandemic and to promote the economic resilience of regions dependent on those industries.

FULL ANNOUNCEMENT TEXT

FY 2021 EDA American Rescue Plan Act Travel, Tourism, and Outdoor Recreation Notice of Funding Opportunity

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A. Program Description

1. Overview and Program Information

a. Overview

EDA's mission is to lead the Federal economic development agenda by promoting innovation and competitiveness, preparing American regions for growth and success in the worldwide economy. Through this ARPA Tourism NOFO, EDA aims to assist communities and regions in recovery from the coronavirus pandemic's significant negative impact on the travel, tourism, and outdoor recreation sectors.

EDA's ARPA Tourism NOFO is designed to provide a wide-range of financial assistance to communities and regions to rebuild and strengthen their travel, tourism, and outdoor recreation industry through various infrastructure and non-infrastructure projects. Under this NOFO, EDA solicits applications under the authority of the Economic Adjustment Assistance (EAA) program, which is flexible and responsive to the economic development needs and priorities of local and regional stakeholders.

EDA's travel, tourism, and outdoor recreation grants will be delivered through two components: (1) State Tourism Grants and (2) EDA Competitive Tourism Grants; each is discussed in more detail below.

EDA may make changes or additions or cancel the ARPA Tourism NOFO at any time. All changes will be communicated via Grants.gov.

b. State Tourism Grants

Under this component, EDA will provide one grant to each State, in an amount determined by EDA based on the pre-pandemic travel and tourism sectors' percentage of State Gross Domestic Product (GDP), along with employment and GDP loss in the travel and tourism sectors during the pandemic.

States may spend the funds directly or make subawards on a competitive basis to eligible applicants (defined in section C) within the state for implementation projects that would support the economic recovery of the travel, tourism, and outdoor recreation sectors.¹ For all subawards, States must report to EDA the identity of the subrecipient, the amount of the subaward, and the scope of work of the subaward. In addition, EDA may require States to report additional information for certain subawards to ensure compliance with applicable laws and regulations. Eligible uses of State Tourism Grants include:

¹ To the extent that a State sub-awards any of these funds, the State is responsible for compliance with the pass-through requirements contained in 2 C.F.R. § 200.332.

- State, county, city, or community/regional tourism marketing and promotion campaigns,² including through nonprofit Destination Marketing Organizations (DMO). Messaging must be consistent with Centers for Disease Control and Prevention (CDC) COVID-19 guidelines.
 - Note: Due to statutory restrictions, advertising on behalf of private companies is not permitted.
- Workforce training that supports the travel, tourism, and outdoor recreation industries to improve the skills and job opportunities for workers, including Registered Apprenticeship Programs and other work and learn models. Grant recipients and their partners are encouraged to make connections with the American Job Centers that connect individuals to workforce training.
- Short-term and long-term economic development planning and coordination to respond to the effects of the coronavirus pandemic on the regional travel, tourism, and outdoor recreation industry.
- Technical assistance projects to assist regional economies to recover from damage to the travel, tourism, and outdoor recreation industries, including technical assistance to businesses, entrepreneurs, and small and rural communities to respond to changes to those industries brought about by the coronavirus pandemic.
- Upgrades/retrofits to existing travel, tourism, and outdoor recreation infrastructure, such as convention centers, to increase travel/tourism activity or to make such infrastructure more functional under pandemic social distancing conditions (e.g., consistent with CDC guidelines).
 - These activities can include general accessibility upgrades (e.g., disability access).
- Infrastructure projects that lead to long-term increases in tourist activity in a region, including in communities adjacent to National Park Service units, State Parks, National Marine Sanctuaries, or other natural destinations, and nature-based infrastructure projects and projects enhancing public access to outdoor recreational opportunities.³
 - Note: Subawards for construction projects including upgrades/retrofits will require submission of additional information and advance approval by EDA. All subawards for infrastructure projects are subject to federal environmental and real property requirements, including the National Environmental Policy Act (NEPA). States will be required to submit additional documentation on NEPA compliance (e.g., application of a categorical exclusion or draft environmental assessment or environmental impact statement) and must ensure subrecipients comply with Davis-Bacon wage requirements, environmental rules and regulations, and the

² This includes activities such as: campaign development, media purchases, advertising, and promotional events.

³ The U.S. Department of Agriculture has developed a resource guide that may be helpful for rural communities seeking to develop recreation economies. See:

https://www.rd.usda.gov/sites/default/files/RD_Recreation_Economy_USDA.pdf

property and construction-related requirements of 2 C.F.R. part 200 and 13 C.F.R. part 314. See also section D.2.b of this NOFO.

- Other uses to support the travel, tourism, and outdoor recreation industries, as approved by EDA.

All projects must support the travel, tourism, and outdoor recreation sectors and be consistent with CDC guidelines for safe travel. Projects that do not support these sectors or are intended to support diversification away from the sectors are not permitted.

The Governor, or equivalent, of each State is authorized to designate an entity to receive and administer the State Tourism Grant, which may be the State, an agency thereof, or another entity that is an Eligible Applicant as described in section C.1. For State Tourism Grants only, EDA will invite States to apply using specific streamlined procedures; therefore, the application submission and review information in Sections D and E is inapplicable for State Tourism Grant applications.

c. EDA Competitive Tourism Grants

Under this component, EDA will fund travel, tourism, and outdoor recreation projects that include non-construction and construction activities. For the most part, this component is intended to fund projects that are focused on new and expanded infrastructure, projects with a multi-state or national focus, and projects in regions most adversely affected by damage to the travel, tourism, and outdoor recreation sectors from the coronavirus pandemic.

Through this program, EDA can support both the development of travel, tourism, and outdoor recreation pandemic recovery strategies and the implementation of recovery projects, including in communities adjacent to National Park Service units, State Parks, National Marine Sanctuaries, and other natural destinations. This includes construction activities where the project is owned by the Eligible Applicant such as:

- Water and stormwater/wastewater improvements,
- Pier construction and improvements,
- New outdoor recreation and trail infrastructure and public access enhancements,
- Nature-based infrastructure projects to improve access to recreation,
- Cultural, arts, and tourism facilities (e.g., visitor or tourist information centers),
- Workforce training facilities and capacity building programs,
- Accessibility enhancements, and
- Country-wide or multi-state travel, tourism, or outdoor recreation promotion.

Please note the following:

- Because state and local tourism promotion and marketing projects are eligible uses of funds under State Tourism Grants, such projects are not eligible under the EDA Competitive Tourism Grants component.

- While EDA prefers projects that directly support the travel, tourism, and outdoor recreation sectors, it will consider diversification projects under this component.⁴
- The applicant must clearly notify EDA in the application if the applicant is also seeking or receives any other funding for the project, including funding under a State Tourism Grant.
- All project proposals must be consistent with CDC guidelines for safe travel.

If a specific project is part of the Build Back Better Regional Challenge NOFO it will only be considered under this ARPA Tourism NOFO to the extent that the Build Back Better Regional Challenge package of projects was not selected. We encourage all other travel, tourism, and outdoor recreation projects be submitted to this NOFO. If an applicant has inadvertently applied to the incorrect NOFO, or if an application is not selected for funding under the relevant NOFO, depending on the availability of funds, EDA in its discretion may move the project to the more appropriate NOFO.

In EDA’s experience with post-disaster recovery, the most effective rebuilding efforts are based on long-term regional development or redevelopment strategies that leverage Federal funding in coordination with state, local, and private sector resources. For this reason, EDA encourages the submission of applications based on long-term, regionally oriented, coordinated, and collaborative economic development or redevelopment strategies that foster economic growth and resilience.

It is important that investments support the economic recovery through strong employment opportunities for workers, including but not limited to opportunities for workforce development, rehiring of laid off workers, and creating and retaining union jobs and well-paying jobs with good benefits. Moreover, it is important that investments in infrastructure and construction projects be carried out in ways that produce high-quality infrastructure, avert disruptive and costly delays, and promote efficiency. EDA understands the importance of promoting workforce development and encourages recipients to ensure that construction projects use strong labor standards, including project labor agreements and community benefit agreements that offer wages at or above the prevailing rate and include local hire provisions to promote effective and efficient delivery of high-quality infrastructure projects, as well as the economic recovery. Using these practices in construction projects may help to ensure a reliable supply of skilled labor that would minimize disruptions, such as those associated with labor disputes or workplace injuries.

Prospective applicants should note that section C sets out eligibility criteria for applications, and only applications meeting the eligibility criteria will be considered. EDA will evaluate and select applications according to the evaluation criteria set forth in section E.

⁴ Projects to establish or recapitalize a revolving loan fund (RLF) or design or construct a business incubator, technology, or other type of incubator or accelerator are not eligible uses of funds under the EDA Competitive Tourism Grants component.

d. Ineligible Projects

Some projects are generally ineligible for EDA funding under this NOFO, including projects that are primarily residential in nature, projects to create community amenities that are not specific to regional tourism (e.g., swimming pools, golf courses), projects that directly support casinos or gaming, projects that support general governmental or public safety functions (e.g., buildings to house municipal government, firehouses, public safety equipment), and requests for funding to supplement operating budgets or replace lost revenue (including lost tax revenue). In addition, EDA will not fund projects that are primarily directed at public health responses to the coronavirus pandemic (e.g., testing or vaccination centers, increased hospital capacity, acquisition of PPE for general government use or public distribution); however, incidental public health costs may be included in project budgets (e.g., the cost of PPE for personnel providing technical assistance, larger spaces to accommodate social distancing, increased travel costs to accommodate pandemic safety measures). Applicants who are unsure whether their proposed project is eligible under this NOFO should consult the appropriate EDA Regional Office Point of Contact (POC) listed in section G.

Funds may not be used, directly or indirectly as an offset for other funds, to support or oppose collective bargaining.

e. CEDS Alignment

Each project funded under this NOFO must be consistent with the region's current Comprehensive Economic Development Strategy (CEDS) or an equivalent EDA-accepted regional economic development strategy meeting EDA's CEDS or strategy requirements. In accordance with 13 C.F.R. § 303.7(c)(1), in certain circumstances EDA may accept a non-EDA-funded CEDS that does not contain all the elements EDA requires of a CEDS.⁵ Applicants must detail how the proposed project will support the economic development needs and objectives outlined in the CEDS or equivalent strategy, and provide a copy of this planning document, either by attaching the document to the application or providing a web link for the document. In addition, applicants should indicate if other Federal funds have been secured or requested to support any portion of the project for which an EDA investment is proposed. Applicants should describe how the EDA investment will complement, leverage, or otherwise align with other public and private investments to accomplish the planned deliverables and outcomes. Where other Federal funding may be involved in the project, the applicant should provide the Federal program name and contact information with the application to facilitate interagency coordination and avoid duplication of resources.

2. EDA Investment Priorities

All projects considered for EDA funding under this ARPA Tourism NOFO must be consistent with EDA's Recovery and Resilience Investment Priority. Applicants may also demonstrate that a project is consistent with any of EDA's other Investment Priorities, and projects meeting

⁵ In doing so, EDA shall consider the circumstances surrounding the application for Investment Assistance, including emergencies or natural disasters and the fulfillment of the requirements of section 302 of PWEDA.

multiple investment priorities may be considered more competitive as a result. EDA’s Investment Priorities are located at <https://www.eda.gov/about/investment-priorities/>. The priorities may be updated from time to time. Any future revisions will be reflected on EDA’s website on January 15, April 15, June 15, or September 15 of each year.

3. Statutory Authorities for EDA’s Programs

The statutory authority for the EAA program is section 209 of PWEDA (42 U.S.C. § 3149). The statutory authorization of supplemental appropriations for economic disaster recovery activities is section 703 of PWEDA (42 U.S.C. § 3233). Additional programmatic authority is provided by the American Rescue Plan Act of 2021 (Pub. L. 117-2).

Applicant eligibility and program requirements are set forth in EDA’s regulations (codified at 13 C.F.R. Chapter III), and all applicants must address these requirements. EDA’s regulations are accessible at the Electronic Code of Federal Regulations website at <https://www.ecfr.gov/cgi-bin/ECFR?page=browse>. Under “Browse,” select “Title 13 – Business Credit and Assistance”, then “Go”, then “300-399”.

4. How does EDA Interpret Resilience?

In terms of economic development, EDA defines resilience broadly as the ability of a community or region to anticipate, withstand, and bounce back from various disruptions to its economic base. These disruptions can be caused by a variety of things, including a downturn in the national or local economy as a result of the pandemic. Enhancing resilience in the travel, tourism, and outdoor recreation sectors in the face of the pandemic, especially in light of the ongoing impacts of a changing climate, is a multi-dimensional effort emphasizing engagement and support from all aspects of the community, including economic development practitioners. Some examples include:

- Efforts to enhance business retention and expansion to strengthen these sectors;
- Development and construction of high-performance and resilient infrastructure and buildings (e.g., broadband, energy, flexible and natural infrastructure, safe development practices) to mitigate future risk and vulnerability; and
- Comprehensive planning efforts that involve extensive engagement from the community to define and implement a collective vision for economic recovery.

The development and adoption of new technologies play vital roles in strengthening economic resilience: deploying technologies (e.g., through more robust broadband networks) enables resilience in the face of natural disasters made worse by pandemics and changing climates, and nurturing technology ecosystems supports dynamic, diverse economies that better withstand acute disruptions.

Resilience (within the context of economic development) should include methods and measures to mitigate the potential for future economic injury, promote a faster “up-time” for the travel, tourism, and outdoor recreation sectors, and strengthen local and regional capacity to troubleshoot and address vulnerabilities within the regional economy. As noted above, to be competitive under this ARPA Tourism NOFO, application submissions must explicitly

incorporate resilience principles. Additional information about this subject is available at <https://www.eda.gov/ceds/content/economic-resilience.htm>.

B. Federal Award Information

1. What Funding Is Available Under this Announcement?

Under the American Rescue Plan Act of 2021 (Public Law 117-2), Congress provided EDA with \$3,000,000,000, to remain available until September 30, 2022, to “prevent, prepare for, and respond to coronavirus and for necessary expenses for responding to economic injury as a result of coronavirus.” Of the \$3 billion in appropriated funds, Congress specifically directed \$750,000,000 be provided to “States and communities that have suffered economic injury as a result of job and gross domestic product losses in the travel, tourism, or outdoor recreation sectors” and this NOFO implements that Congressional direction. Consistent with the above, EDA has allocated \$750,000,000 into the two components under this NOFO.

If an applicant is awarded funding, neither DOC nor EDA is under any obligation to provide any future funding in connection with that award or to make any future award(s). Amendments or renewals of an award to increase funding or to extend the period of performance are at the sole discretion of DOC and EDA.

Publication of this announcement does not obligate DOC or EDA to award any specific grant or cooperative agreement or to obligate all or any part of available funds. The award of any grant is subject to the availability of funds at the time of award as well as to DOC priorities at the time of award. Neither DOC nor EDA will be held responsible for application preparation costs.

a. State Tourism Grants

For State Tourism Grants, EDA anticipates awarding up to \$510,000,000 to States based on the pre-pandemic travel and tourism sectors’ percentage of State Gross Domestic Product (GDP), along with employment and GDP loss in the travel and tourism sectors during the pandemic.

b. EDA Competitive Tourism Grants; Initial EDA Regional Office Allocations

For EDA Competitive Tourism Grants, EDA anticipates allocating the remaining \$240,000,000 among EDA’s six Regional Offices consistent with the formula applied to the State Tourism Grants, as follows:

Atlanta Regional Office – \$24,376,044
Austin Regional Office – \$16,635,106
Chicago Regional Office – \$26,236,391
Denver Regional Office – \$19,849,552
Philadelphia Regional Office – \$95,146,537
Seattle Regional Office – \$57,756,370

For EDA Competitive Tourism Grants, EDA anticipates funding approximately 150 non-construction and construction projects that cost between approximately \$500,000 and \$10,000,000, although EDA will consider applications above and below these amounts.

Note: When appropriate, EDA may exercise its discretion to adjust the allocations to its offices or adjust the total amount available under this NOFO and other American Rescue Plan Act NOFOs based on its experience in administering the supplemental appropriations to ensure funds are used to maximum effect or to adjust to unforeseen changes in recovery efforts.

2. What Type of Funding Instrument Will Be Used to Make Awards? How Long Will a Project’s Period of Performance Be?

Funding Instrument: Subject to the availability of funds, EDA may award grants or cooperative agreements to eligible applicants. EDA will award a cooperative agreement on a case-by-case basis if substantial agency involvement is required. For a cooperative agreement, the nature of EDA’s “substantial involvement” (to be included in the terms and conditions of the award) will generally be collaboration between EDA and the recipient on the scope of work. However, other possible examples of EDA’s “substantial involvement” may include, but are not limited to: (i) authority to halt immediately an activity if detailed performance specifications are not met; (ii) stipulation that the recipient must meet or adhere to specific procedural requirements before subsequent stages of a project may continue; (iii) involvement in the recipient’s selection of key personnel; and (iv) operational involvement and monitoring during the project to ensure compliance with statutory requirements.

Period of Performance: Under the EAA program, the project period of performance depends on the nature of the project for which the grant or cooperative agreement is awarded. Typically, economic recovery strategy grants and non-construction implementation projects may range in duration from 12 to 24 months. Implementation grants involving construction of project facilities and infrastructure generally are expected to range from 12 to 48 months. EDA will work closely with award recipients to accommodate their projected timelines within reason and allowances of regulations and grant policies. EDA expects that all projects will proceed efficiently and expeditiously, and EDA encourages applicants to document specifically when they will be able to start and complete the proposed project scope of work. **EDA’s American Rescue Plan appropriations are available for making awards through September 30, 2022. No disbursements of grant funds may be made after September 30, 2027.**

C. Eligibility Information

1. Eligible Applicants

For State Tourism Grants, the Governor, or equivalent, of each State is authorized to designate an entity to receive and administer the State Tourism grant, which may be the State, an agency thereof, or another entity that is an Eligible Applicant described below. Under section 3(10) of PWEDA the term “State” includes the fifty States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, the Commonwealth of the Northern

Marianas, the Republic of the Marshall Islands, the Federated States of Micronesia, and the Republic of Palau.⁶

Eligible applicants for EDA Competitive Tourism Grants include a(n):

- a. District Organization;
- b. Indian Tribe or a consortium of Indian Tribes;
- c. State, county, city, or other political subdivision of a State, including a special purpose unit of a State or local government engaged in economic or infrastructure development activities, or a consortium of political subdivisions;
- d. Institution of higher education or a consortium of institutions of higher education; or
- e. Public or private non-profit organization or association acting in cooperation with officials of a political subdivision of a State.⁷

2. Applicable Disaster Declaration and Responsiveness to the Coronavirus Pandemic

EDA has determined that economic injury from the coronavirus pandemic constitutes a “Special Need,” and eligibility may be established on that basis without reference to the other economic distress criteria. This determination of nationwide eligibility for these funds is consistent with the March 13, 2020 emergency declaration for the coronavirus disease 2019 (COVID-19) pandemic pursuant to the Stafford Act for all states, tribes, territories, local governments, and the District of Columbia (<https://www.fema.gov/disasters/coronavirus/disaster-declarations#>).

EDA has further determined that due to the pervasive nature of the economic impacts of the coronavirus pandemic, any construction or non-construction project that would address those impacts by creating or retaining jobs, or increasing the economic diversity or resilience of a region, is eligible for funding. For example, an infrastructure project that creates new jobs in a region is responsive to the requirement that the funds be spent to respond to “economic injury as a result of coronavirus.”

3. Cost Sharing or Matching

a. EDA Investment Rate

For State Tourism Grants, EDA will make awards at a 100% federal grant rate. No matching share is required.

For EDA Competitive Tourism Grants, given the extent of the economic impact and in accordance with the agency’s statutory authority under section 703 of PWEDA (42 U.S.C. § 3233), EDA generally expects to fund at least 80%, and up to 100%, of eligible project costs. In determining the grant rate, EDA’s Grants Officers in the applicable Regional Office will consider on a case-by-case basis whether the circumstances of the proposed project warrant a

⁶ 42 U.S.C. § 3122.

⁷ See section 3 of PWEDA (42 U.S.C. § 3122) and 13 C.F.R. § 300.3.

Federal share in excess of 80%, including whether the applicant has exhausted its effective taxing or borrowing capacity; the extent of the economic impact of the coronavirus pandemic on the region's travel, tourism, and outdoor recreation sector; or whether the region meets other thresholds for elevated need based on the relative economic distress of the region. Applicants that submit projects with increased levels of match may be considered more competitive. Additionally, EDA may establish a maximum investment rate of up to 100% for projects of Indian Tribes. Any portion of the costs for the EDA scope of work funded below 100% must be borne by the recipient or provided to the recipient by a third party as a contribution for the purposes of and subject to the terms of the award.

b. Documentation of Cost Sharing or Matching

For EDA Competitive Tourism Grants subject to a matching requirement, the applicant must document that the matching share will: (i) be committed to the project for the period of performance, (ii) be available as needed, and (iii) not be conditioned or encumbered in any way that may preclude its use consistent with the requirements of EDA investment assistance.⁸ To meet these requirements, applicants must submit for each source of the matching share a commitment letter or equivalent document signed by an authorized representative of the organization providing the matching funds.

Additional documentation may be requested by EDA to substantiate the availability of the matching funds. Please contact the appropriate EDA Regional Office Point of Contact (POC) listed in section G of this ARPA Tourism NOFO with questions regarding EDA's matching share requirements.

Documented in-kind contributions may provide the required non-Federal Share of the total project cost, but they must be eligible project costs and meet applicable Federal cost principles and uniform administrative requirements. Examples of possible in-kind contributions include space, equipment, services, or forgiveness or assumptions of debt.⁹ Funds from other Federal financial assistance awards may be considered matching share funds only if authorized by statute, which may be determined by EDA's reasonable interpretation of the statute.¹⁰

Applicants are *strongly encouraged* to work with the appropriate POC listed in section G of this ARPA Tourism NOFO to determine how in-kind contributions may be utilized to satisfy the matching share requirement for their application.

D. Application Submission Information

For State Tourism Grants, applications must follow the format prescribed in the EDA invitation letter. The application submission requirements specified in this section apply only to applications for EDA Competitive Tourism Grants.

⁸ See 13 C.F.R. § 301.5.

⁹ See section 204(b) of PWEDA (42 U.S.C. § 3144) and the definition of "In-Kind Contribution" at 13 C.F.R. § 300.3.

¹⁰ See the definition of "Local Share or Matching Share" at 13 C.F.R. § 300.3. See also 2 C.F.R. § 200.306.

All submissions under the EDA Competitive Tourism Grants component of this ARPA Tourism NOFO are subject to the following review process. An applicant **must submit a complete application**, as detailed in section D.2.a of this ARPA Tourism NOFO, to be considered for funding. EDA intends to review an application expeditiously upon receipt of the **complete application**. EDA may seek additional information or documentation from the applicant to clarify information presented in the application. Please see section E of this ARPA Tourism NOFO for more information on EDA’s review and selection process.

EDA strongly encourages applicants to consult with the appropriate POC listed in section G to discuss whether their project is in alignment with EDA’s Investment Priorities as well as EDA’s eligibility requirements, cost-sharing requirements, property standards, and other requirements outlined in this ARPA Tourism NOFO. This consultation is limited to clarification of technical matters involving their proposed project, project alignment with EDA’s mission and EDA’s Investment Priorities, and all other relevant and publicly available information relating to general technical matters.

1. Address to Request Application Package

An electronic version of the application for this ARPA Tourism NOFO may be obtained at Grants.gov using Funding Opportunity Number “EDA-2021-ARPATOURISM.” To accommodate applicants’ accessibility requirements, a paper version of the application may be obtained by contacting the appropriate POC listed in section G of this NOFO. Please see section I below for instructions on submitting an application through grants.gov.

All applicants must apply through grants.gov unless they request and receive authorization to submit a paper application package by contacting the appropriate POC listed in section G.

2. Content and Form of Application Submission

The tables in section D.2.a below describe the EDA and Federal grant assistance forms and other documentation required for a complete application for each type of assistance available under the EDA Competitive Tourism Grants component of this NOFO. The tables may serve as a checklist for applicants in preparing their submissions.

All relevant forms must be signed electronically by the applicant’s Authorized Organizational Representative (AOR); please see section I.2 of this ARPA Tourism NOFO for information on AOR requirements. The preferred electronic file format for attachments is Adobe PDF; however, EDA will accept electronic files in Microsoft Word or Microsoft Excel formats. EDA will not accept paper, facsimile or email transmissions of applications except as described below in section D.4. Please refer to important information on submitting your application provided in section D.3.

All documentation and data submitted should be current and applicable as of the date submitted. Applicants are encouraged to contact the appropriate POC for technical assistance before submitting an application. EDA staff members are available to provide applicants with technical assistance regarding application requirements. Additionally, EDA may contact the applicant to clarify application materials received.

a. What is required for a complete application?¹¹

The following table provides a list of documents required for a complete application based on the type of EDA assistance: construction, design and engineering (without a construction component), and non-construction.¹²

Applications for **construction assistance** (including applications for design and engineering with construction activities) must include:

1. **One Form SF-424** (Application for Federal Assistance) from each co-applicant, as applicable.
2. **One Form SF-424C** (Budget Information—Construction Programs) per project.
3. **One Budget Narrative** per project that identifies and justifies how funds in each line item of the budget (Form SF-424C) will be used to support the proposed project. The Budget Narrative should specifically address each budget line item (including both the Federal Share and matching non-Federal Share), and the narrative total should match the total project costs listed in both the SF-424 question 18 line g and SF-424C (“Total Project Costs”). This includes describing any other Federal funds that have been secured or requested to support the project (see section A.1). The Budget Narrative should include itemized valuations of any in-kind matching funds. The non-Federal Share, whether in cash or in-kind, is expected to be paid out at the same general rate as the Federal Share; however, if the applicant’s Budget Narrative proposes otherwise, applicants must also include information that indicates what project elements the matching share funds will support and explain why deviation from paying out at the same general rate is required for the project to be implemented. *Please note: In lieu of a separate Budget Narrative, this information may be included in the Preliminary Engineering Report as required by section C of the ED-900C.
4. **One Form SF-424D** (Assurances—Construction Programs) from each co-applicant, as applicable.
5. **One Form ED-900** (General Application for EDA Programs) per project.
 - In section B.2, explain whether and if so how the project will incorporate strong labor standards, including project labor agreements and community benefit agreements, that offer wages at or above the prevailing rate and include

¹¹ In the event of discrepancies between instructions provided in any of the forms and this ARPA Tourism NOFO, the requirements for complete applications as stated in this ARPA Tourism NOFO will control.

¹² EDA may temporarily waive certain application requirements if the applicant demonstrates that it cannot meet a requirement in a timely fashion because of the impact of the disaster. Applicants are advised to reach out to their appropriate POC for more information on this temporary waiver. See 13 C.F.R. § 302.2 (“When non-statutory EDA administrative or procedural conditions for Investment Assistance awards under PWEDA cannot be met by an Eligible Applicant as a result of a disaster, EDA may waive such conditions”).

local hire provisions, and a description of the applicant's workforce plans and practices.

- In section B.6, explain how the proposed project would meet EDA's Recovery and Resilience investment priority, which all American Rescue Plan projects are expected to meet. You may also explain in this space how the proposed projects will meet any of EDA's other investment priorities.
 - In section B.8, explain the steps that you will take to ensure that the economic benefits of the project will be shared by all communities in the project region, including any underserved communities. Your explanation should address the communities affected, barriers those communities may face in accessing benefits of the project, contemplated outreach efforts, and other planned steps to address identified barriers, as appropriate.
6. **One Form ED-900A** (Additional EDA Assurances for Construction or Non-Construction Investments) from each co-applicant, as applicable.
 7. **One Form ED-900B** (Beneficiary Information Form) from each beneficiary of the proposed project, as applicable.
 8. **One Form ED-900C** (EDA Application Supplement for Construction Programs) and accompanying supporting documentation, e.g., Preliminary Engineering Report.
 9. **One Form ED-900E** (Calculation of Estimated Relocation and Land Acquisition Expenses).
 10. **Documentation of Matching Share** for each matching share source, such as a commitment letter, board resolution, proof of bonding authority, or similar document, as applicable. This should be attached to Form ED-900 (section B.10.d of the form).
 11. **An environmental narrative** that will enable EDA to comply with its NEPA responsibilities. A narrative outline that details required components may be accessed in EDA's website at: <https://eda.gov/files/programs/eda-programs/Environmental-Narrative-Template-and-Application-Certification-Clause.docx>.
 12. **One Applicant's Certification Clause** (see Appendix A to the environmental narrative noted above) completed separately and signed by each co-applicant, as applicable.
 13. **One Form CD-511** (Certification Regarding Lobbying) from each co-applicant, as applicable.
 14. **One Form SF-LLL** (Disclosure of Lobbying Activities) from each co-applicant, if applicable. Form SF-LLL is only required if the applicant has retained a registered lobbyist in conjunction with the proposed project.

15. Map of project site.

Applications for **design and engineering assistance only** (without a construction component) must include:

1. **One Form SF-424** (Application for Federal Assistance) from each co-applicant, as applicable.
2. **One Form SF-424C** (Budget Information—Construction Programs).
3. **One Budget Narrative** that identifies and justifies how funds in each line item of the budget (Form SF-424C) will be used to support the proposed project. The Budget Narrative should specifically address each budget line item (including both the Federal Share and matching Non-Federal Share), and the narrative total should match the total project costs listed in both the SF-424 question 18 line g and SF-424C (“Totals”). This includes describing any other Federal funds that have been secured or requested to support the project (see section A.1). The Budget Narrative should include itemized valuations of any in-kind matching funds. The non-Federal Share, whether in cash or in-kind, is expected to be paid out at the same general rate as the Federal Share; however, if the applicant’s Budget Narrative proposes otherwise, applicants must also include information that indicates what project elements the matching share funds will support and explain why deviation from paying out at the same general rate is required for the project to be implemented.
4. **One Form SF-424D** (Assurances—Construction Programs) from each co-applicant, as applicable, unless as part of the registration process for SAM each co-applicant has already completed the assurances for non-construction programs. In that case, each co-applicant must inform EDA that this was completed in SAM.
5. **One Form ED-900** (General Application for EDA Programs).
 - In section B.6, explain how the proposed project would meet EDA’s Recovery and Resilience investment priority, which all American Rescue Plan projects are expected to meet. You may also explain in this space how the proposed projects will meet any of EDA’s other investment priorities.
 - In section B.8, explain the steps that you will take to ensure that the economic benefits of the project will be shared by all communities in the project region, including any underserved communities. Your explanation should address the communities affected, barriers those communities may face in accessing benefits of the project, contemplated outreach efforts, and other planned steps to address identified barriers, as appropriate.

6. **One Form ED-900A** (Additional EDA Assurances for Construction or Non-Construction Investments) from each co-applicant, as applicable.
7. **One Form ED-900D** (Requirements for Design and Engineering Assistance).
8. **Documentation of Matching Share** for each matching share source, such as a commitment letter, board resolution, proof of bonding authority, or similar document, as applicable. This should be attached to Form ED-900 (section B.10.d of the form).
9. **An environmental narrative** that will enable EDA to comply with its NEPA responsibilities. A narrative outline that details required components may be accessed in EDA's website at: <https://eda.gov/files/programs/eda-programs/Environmental-Narrative-Template-and-Application-Certification-Clause.docx>.
10. **One Applicant's Certification Clause** (see Appendix A to the environmental narrative noted above) completed separately and signed by each co-applicant, as applicable.
11. **One Form CD-511** (Certification Regarding Lobbying) from each co-applicant, as applicable.
12. **One Form SF-LLL** (Disclosure of Lobbying Activities) from each co-applicant, if applicable. Form SF-LLL is only required if the applicant has retained a registered lobbyist in conjunction with the proposed project.

Applications for **non-construction assistance** must include:

1. **One Form SF-424** (Application for Federal Assistance) from each co-applicant, as applicable.
2. **One Form SF-424A** (Budget Information—Non-Construction Programs).
3. **One Budget Narrative** that identifies and justifies how funds in each line item of the budget (Form SF-424A) will be used to support the proposed project. The Budget Narrative should specifically address each budget line item (including both the Federal Share and matching non-Federal Share), and the narrative total should match the total project costs listed in both the SF-424 question 18 line g and SF-424A ("Totals"). This includes describing any other Federal funds that have been secured or requested to support the project (see section A.1). The Budget Narrative should include itemized valuations of any in-kind matching funds. The non-Federal Share, whether in cash or in-kind, is expected to be paid out at the same general rate as the Federal Share; however, if the applicant's Budget Narrative proposes otherwise, applicants must also include information that indicates what project elements the matching share funds will support and explain

why deviation from paying out at the same general rate is required for the project to be implemented.

4. **One Form ED-900** (General Application for EDA Programs).¹³
 - In B.6, explain how the proposed project would meet EDA’s Recovery and Resilience investment priority, which all American Rescue Plan projects are expected to meet. You may also explain in this space how the proposed projects will meet any of EDA’s other investment priorities.
 - In section B.8, explain the steps that you will take to ensure that the economic benefits of the project will be shared by all communities in the project region, including any underserved communities. Your explanation should address the communities affected, barriers those communities may face in accessing benefits of the project, contemplated outreach efforts, and other planned steps to address identified barriers, as appropriate.
5. **One Form ED-900A** (Additional EDA Assurances for Construction or Non-Construction Investments) from each co-applicant, as applicable.
6. **Documentation of Matching Share** for each matching share source, such as a commitment letter, board resolution, proof of bonding authority, or similar document, as applicable. This should be attached to Form ED-900 (section B.10.d of the form).
7. **One Form CD-511** (Certification Regarding Lobbying) from each co-applicant, as applicable.
9. **One Form SF-LLL** (Disclosure of Lobbying Activities) from each co-applicant, if applicable. Form SF-LLL is only required if the applicant has retained a registered lobbyist in conjunction with the proposed project.

For applications that were not selected for funding under the CARES Act that applicants would like EDA to carry forward unchanged into this NOFO consistent with the process described below in section E.1.b.i, applicants must submit a letter to EDA requesting the project be reviewed under this NOFO. The letter must also contain a certification that the project is unchanged and match remains available as originally provided in the application.

b. Environmental and Historic Preservation Requirements

All applicants for EDA construction assistance or design and engineering assistance, including subawards made under State Tourism Grants, are required to provide adequate environmental information. EDA will separately provide states instructions for compliance with NEPA for State

¹³ Applicants seeking a strategy grant should note this information as part of their response to section B.2 of the form.

Tourism Grant subawards. For EDA Competitive Tourism Grants, EDA will review each application for compliance with NEPA. During the NEPA review process, applicants may be instructed to contact the designated State and/or Tribal Historic Preservation Officer (SHPO/THPO), provide approvals from other governmental agencies, or provide more detailed environmental information. EDA, after compliance with requirements for consultation with Federally-recognized Indian Tribes, may require applicants to participate in Tribal consultation, as necessary. The implementing regulations of NEPA require EDA to provide public notice of the availability of project-specific environmental documents, such as environmental impact statements, environmental assessments, findings of no significant impact, and records of decision, to the affected public. For further guidance and information, please contact the appropriate Regional Environmental Officer listed in section G. Applicants will be notified of any changes to these requirements via Grants.gov.

c. Copy of Negotiated Indirect Cost Rate Agreement (if applicable)

As noted in EDA's Standard Terms and Conditions for Construction Projects (Construction ST&Cs), indirect costs are generally not applicable to construction awards.

If indirect costs are included in the budget for non-construction projects, the applicant must include documentation to support the indirect cost rate it is using (unless claiming the 10 percent de minimis indirect cost rate, discussed below). For most applicants, this will entail the submission of a copy of its current, approved negotiated indirect cost rate agreement (NICRA). The maximum dollar amount of allocable indirect costs for which EDA will reimburse a recipient is the lesser of (i) the line-item amount for the Federal Share of indirect costs contained in the EDA approved budget for the award, or (ii) the Federal Share of the total allocable indirect costs of the award based on either (a) the indirect cost rate approved in the NICRA, provided that the NICRA is approved on or before the award end date, or (b) other acceptable documentation as indicated below.

If the applicant does not have a current or pending NICRA, it may propose indirect costs in its budget; however, the applicant must prepare and submit an allocation plan and rate proposal for approval within 90 days from the award start date (unless claiming the 10 percent de minimis indirect cost rate, discussed below). See 2 C.F.R. part 200 Apps. III, IV, V, VI, VII for guidance. The allocation plan and the rate proposal must be submitted to EDA's Office of Regional Affairs (or applicable cognizant Federal agency). If the applicant chooses to pursue this option, it should include a statement in its Budget Narrative that it does not have a current or pending NICRA and will submit an allocation plan and rate proposal to EDA or the applicant's cognizant Federal agency for approval.

If in accordance with 2 C.F.R. § 200.414(f), an applicant that does not have a current negotiated (including provisional) rate, may elect to charge a de minimis rate of 10 percent of modified total direct costs (unless the applicant is a state or local unit of government that receives less than \$35 million in direct federal funding per year, discussed below). No documentation is required to justify the 10 percent de minimis indirect cost rate; however, an applicant electing to charge a de minimis rate of 10 percent must include a statement in its Budget Narrative that it does not have a current negotiated (including provisional) rate and is electing to charge the de minimis rate.

Note that if the applicant is a State or local unit of government that receives less than \$35,000,000 in direct Federal funding per year it may submit any of the following:

- i. A current NICRA;
- ii. A Certificate of Indirect Costs from the Department of the Interior (DOI) or EDA;
- iii. Acknowledgment received from EDA and Certificate of Indirect Costs in the form prescribed at 2 C.F.R. pt. 200, app. VII; or
- iv. A Cost Allocation Plan approved by a Federal agency (note that cost allocation plans or indirect cost rates approved by state agencies are not acceptable).

d. Unique Entity Identifier and System for Award Management (SAM)

To enable the use of a universal identifier and to enhance the quality of information available to the public as required by the Federal Funding Accountability and Transparency Act of 2006, applicants are required to: (i) be registered in SAM before submitting an application; (ii) provide a valid unique entity identifier in the application; (iii) make certain certifications (see also section H.5 of this NOFO); and (iv) continue to maintain an active SAM registration with current information at all times during which they have an active federal award or an application or plan under consideration by a federal awarding agency. EDA may not make a federal award to an applicant until the applicant has complied with all applicable unique entity identifier and SAM requirements and, if an applicant has not fully complied with the requirements by the time the EDA is ready to make an award, EDA may determine that the applicant is not qualified to receive an award and use that determination as a basis for making an award to another applicant. Recipients will be subject to reporting requirements, as identified in OMB guidance published at 2 C.F.R. parts 25 and 170.

3. Submission Dates and Times

There are no application deadlines under this ARPA Tourism NOFO. EDA plans to accept applications on a rolling basis subject to the availability of funds. EDA strongly advises eligible applicants to submit complete applications at least by **January 31, 2022** so that EDA can review and process the application in time to get a potential award in place. **Submission of a complete application by January 31, 2022 is not a guarantee of funding.**

EDA's American Rescue Plan appropriations are available for making awards through September 30, 2022. No disbursements of grant funds may be made after September 30, 2027. EDA may cancel or withdraw the ARPA Tourism NOFO at any time.

a. Electronic Submission.

EDA accepts electronic submissions of applications through Grants.gov. EDA will not accept paper, facsimile, or email transmissions of applications except as provided below.

Once an application is submitted, it undergoes a validation process through Grants.gov during which the application may be accepted or rejected by the system. Please be advised that the validation process may take 24 to 48 hours to complete. Applications that contain errors will be

rejected by Grants.gov and will not be forwarded to EDA for review. The applicant must correct any errors before Grants.gov will accept and validate the application.

Please see section I of this ARPA Tourism NOFO for more detailed instructions and information on the requirements for submitting applications electronically via Grants.gov.

b. Alternatives to Electronic Submission.

If an applicant is unable to submit an application electronically for reasons beyond the control of the applicant, EDA, in its sole discretion, may **pre-approve in writing** submission via an alternate method (e.g., email).

4. Intergovernmental Review

Applications submitted under the EDA Competitive Tourism Grants component of this NOFO are subject to the requirements of Executive Order (EO) 12372, “Intergovernmental Review of Federal Programs,” if a State has adopted a process under EO 12372 to review and coordinate proposed Federal financial assistance and direct Federal development (commonly referred to as the “single point of contact review process”). All applicants whose primary service areas fall within one or more such States must give State and local governments a reasonable opportunity to review and comment on the proposed Project, including review and comment from area-wide planning organizations in metropolitan areas.¹⁴ To find out more about a State’s process under EO 12372, applicants may contact their State’s Single Point of Contact (SPOC). Names and addresses of some States’ SPOCs are listed at <https://www.whitehouse.gov/wp-content/uploads/2020/04/SPOC-4-13-20.pdf>. Question 19 of Form SF-424 allows applicants to demonstrate compliance with EO 12372.

An applicant seeking funding for a construction project or RLF grant under the EAA program that is not a State, Indian Tribe, or general purpose local governmental authority must afford the appropriate general purpose local governmental authority in the project region a minimum of 15 days to review and comment on the proposed project, and provide with its application a statement of its efforts to seek comments and either (i) a copy of the comments received and a statement of any actions to address those comments or (ii) a statement that no comments were received.

5. Pre-award Costs

In general, EDA does not reimburse pre-award project costs. Applicants that need such reimbursement should work closely with the appropriate POC to determine if their pre-award costs may be considered for reimbursement. For contracted pre-award costs to be eligible for reimbursement, the applicant must competitively procure services pursuant to the Federal government’s procurement procedures. All pre-award costs are incurred at an applicant’s own risk and will be considered for reimbursement, in EDA’s sole discretion, only if an applicant receives an award and such costs are approved by EDA in writing. Under no circumstances will

¹⁴ As provided for in 15 C.F.R. part 13.

EDA or DOC be held responsible for application preparation expenditures, which are distinguished from pre-award project costs.

6. Other Submission Requirements

After EDA reviews an application, EDA may contact the applicant to request any necessary additional documentation to clarify or substantiate submitted application materials, depending on the type of project proposed. Examples of additional documentation may include, but are not limited to, title verification, documentation of the value of in-kind contributions, evidence all funding is available and committed to the project, or documentation required for environmental or legal compliance. This additional documentation will be required to ensure the proposed project complies with all applicable rules and regulations prior to EDA's issuance of an award. EDA will provide applicants a reasonable amount of time to provide any additional documentation. Failure to provide complete and accurate supporting documentation in a timely manner when requested by EDA may result in the denial of an application.

EDA may, at its discretion, make changes or additions to this ARPA Tourism NOFO. All changes will be communicated on Grants.gov.

E. Application Review Information

The application review information in this section applies to EDA Competitive Tourism Grant applications only. State Tourism Grant applications will be reviewed by the applicable EDA Regional Office.

Throughout the review and selection process, EDA reserves the right to seek clarification in writing from applicants whose application packages are being reviewed. This may include reaching out to applicants and proposing they seek funding under a different EDA program or other Federal financial assistance program under which they may be more competitively assessed. EDA may additionally ask applicants to clarify application materials, objectives, and work plans, or modify budgets or other specifics necessary to comply with Federal requirements. Before applications are reviewed as described below, EDA will conduct an initial screening to verify that all required forms are complete, and all required documentation is included. Applications that do not contain all elements listed in section D.2.a of this NOFO may not be reviewed.¹⁵

¹⁵ See 13 C.F.R. § 302.2 (“When non-statutory EDA administrative or procedural conditions for Investment Assistance awards under PWEDA cannot be met by an Eligible Applicant as the result of a disaster, EDA may waive such conditions.”).

1. Review and Selection Process

a. Investment Review Committee (IRC)

Each Regional Office will convene periodic IRCs, as necessary depending on the volume of applications, that consist of at least three EDA staff members to review each complete application.

All IRC members will review each complete application before the IRC discussion and evaluation. The IRC will make a group evaluation of the merits of each application based on the extent to which the application meets the program-specific award and application requirements.

For all projects, the IRC will use the following criteria in its review, with each criterion receiving equal weight:

- i. The extent to which the region to be served by the project has suffered economic injury as a result of job and gross domestic product losses in the travel, tourism, and outdoor recreation sectors;
- ii. The extent to which the project is responsive to the needs of communities impacted by the coronavirus pandemic's impact on the travel, tourism, and outdoor recreation sectors;
- iii. The extent to which the project supports the economic recovery and long-term resilience to future pandemics or other sudden and severe economic dislocations for the travel, tourism, and outdoor recreation sectors;
- iv. The project's demonstrated ability to foster the creation or retention of union and well-paying jobs with good benefits, as well as the extent to which the applicant proposes to incorporate strong labor protections into the performance of the project;
- v. The degree of economic distress experienced in the project community/region, including the economic impact of the coronavirus pandemic;
- vi. The project's feasibility, including the likelihood that the project can be started quickly, the immediacy of its impacts, and the likelihood that it will be completed before September 30, 2027;
- vii. The project's sustainability/durability, including the extent to which the project demonstrates support from community stakeholders and beneficiary commitments, if any;
- viii. The applicant's organizational capacity, including its financial and management capacity;
- ix. The project's alignment with the applicable CEDS, Tribal strategy, or other EDA-accepted economic development strategy;
- x. The project's demonstrated alignment with EDA's Recovery and Resilience Investment Priority, as well as other current Investment Priorities as outlined at <https://www.eda.gov/about/investment-priorities/disaster-recovery/> and described in section A.2 of this Indigenous Communities NOFO;

- xi. The extent to which the project is based upon community-oriented and collaborative economic development and redevelopment strategies; and
- xii. The extent to which the application articulates a plan for ensuring that the project's benefits are shared across all affected communities. Although not required, EDA encourages efforts to reach historically underserved areas, minority populations, and women.

Based on its consideration of the above factors, the IRC will prepare funding recommendations for the respective Regional Director. The IRC will prepare a ranking or other categorization of applications (e.g., fund, don't fund, or carry forward) to assist the Regional Director in making funding decisions. EDA's final decision on whether to fund a project is dependent upon the ability of the applicant to provide sufficient documentation of the project's compliance with applicable rules and regulations.

EDA intends to provide applicants written notification of the outcome of the IRC expeditiously after receipt of their **complete application**. Applications for complex or large dollar value projects may require a longer review time.

b. Due Diligence

If the IRC recommends an application for funding, the applicant still may have to complete certain due diligence requirements before EDA can make an award. After an applicant has been notified that its application has been recommended by the IRC, EDA may request that the applicant submit additional documents and information to allow EDA to fully evaluate compliance with applicable rules and regulations.

For example, in the case of construction projects, such additional due diligence may include:

- i. Title verification (e.g., proof of project ownership);
- ii. Documentation of matching funds; and
- iii. Documentation required for environmental or legal compliance. This may include, but is not limited to: 404 Clean Water Act permits from the U.S. Army Corps of Engineers and accompanying environmental documentation (environmental assessment or environmental impact statement), Phase I and Phase II environmental assessments, state environmental assessment documentation (for compliance with state environmental statutes such as the Massachusetts Environmental Policy Act (MEPA) or the California Environmental Quality Act (CEQA)), archeological and biological surveys, and proof of coordination with resource agencies.

If the applicant provides the requested information and supporting documentation in a timely fashion and EDA determines the project is fully compliant with applicable rules and regulations, the application will be forwarded to the Grants Officer for a final decision and award approval. Applicants that do not provide the additional information and supporting documentation in a timely fashion or who are deemed not to be in compliance with applicable rules and regulations will receive notification their application was not successful.

c. Consideration of Applications Submitted under the FY 2020 CARES Act Addendum

EDA received many more applications than it could fund under the Coronavirus Aid, Relief, and Economic Security Act Recovery Assistance Addendum to the FY 2020 Public Works and Economic Adjustment Assistance Notice of Funding Opportunity (CARES Act Addendum). Upon request of a declined applicant and certification by that applicant that the project remains unchanged (including provision of match), EDA will consider previously declined CARES Act Addendum applications under this ARPA Tourism NOFO. Instructions for requesting reconsideration of declined applications are provided above in section D.2. Applicants do not need to reapply if the application is unchanged. EDA will reevaluate such carried forward applications using the selection criteria and program objectives of this NOFO as described above under the investment priorities and IRC review section, and will evaluate such carried forward applications and new applications received under the ARPA Tourism NOFO together in the same competitive pool on a rolling basis.

2. Grants Officer's Decision

Applications recommended by the IRC, and also deemed fully compliant with applicable rules and regulations, will be forwarded to the Regional Director, who is designated the Grants Officer under this ARPA Tourism NOFO. Each Regional Director has been delegated final authority regarding funding of applications and may select a project for funding that differs from the IRC's recommendations based on any of the following selection factors:

- i. The extent to which the application meets the overall objectives of section 2 of PWEDA (42 U.S.C. § 3121);
- ii. The extent to which resilience, as defined in section A.4, is integrated into the project scope of work;
- iii. To promote broad and equitable access to EDA assistance, the amount of EDA funding the applicant has received in the current or prior three federal fiscal years under any EDA Notice of Funding Opportunity;
- iv. The applicant's performance under previous Federal financial assistance awards, including whether the grantee submitted required performance reports and data;
- v. The availability of program funding;
- vi. Whether the project supports communities negatively impacted by the downturn in the coal economy;
- vii. The extent to which the project supports EDA's goals of geographic balance in distribution of program funds, project types, organizational type (to include smaller and rural communities and organizations) and the overall portfolio; and
- viii. The relative economic distress of the area.

The Regional Director's final decision must be consistent with EDA's and DOC's published policies. Any time a Regional Director makes a selection that differs from the IRC's recommendation, the Regional Director will document the rationale for the decision in writing.

3. Federal Awardee Performance and Integrity Information System (FAPIS) Review

EDA, prior to making a Federal award with a total amount of Federal Share greater than the simplified acquisition threshold, is required to review and consider any information about the applicant that is in the designated integrity and performance system accessible through SAM (currently FAPIS). See 41 U.S.C. § 2313.

Each applicant, at its option, may review information in the designated integrity and performance system accessible through SAM and comment on any information about itself that a Federal awarding agency previously entered and is currently in the designated integrity and performance system accessible through SAM. EDA will consider any comments by the applicant, in addition to the other information in the designated integrity and performance system, in making a judgment about the applicant's integrity, business ethics, and record of performance under Federal awards when completing the review of risk posed by applicants as described in 2 C.F.R. § 200.206.

F. Federal Award Administration Information

1. Federal Award Notification

If an application is selected for funding the EDA Grants Officer will issue the award (Form CD-450), which is the authorizing financial assistance award document and includes Specific Award Conditions and, as applicable, the DOC Financial Assistance Standard Terms and Conditions (DOC ST&Cs), the EDA Revolving Loan Fund Financial Assistance Award Standard Terms and Conditions (RLF ST&Cs), or the EDA Standard Terms and Conditions for Construction Projects (Construction ST&Cs), as described in section F.3, below.

By signing Form CD-450, the applicant agrees to comply with all award provisions. EDA will provide Form CD-450 via the award package to the applicant's authorized representative. The applicant's representative must sign and return the Form CD-450 without modification within 30 calendar days of the date of EDA's signature on the form.

If an applicant is awarded funding, neither DOC nor EDA is under any obligation to provide any additional future funding in connection with that award or to make any future award(s). Amendment or renewal of an award to increase funding or to extend the period of performance is at the discretion of DOC and EDA.

EDA will notify unsuccessful applicants in writing to the applicant's authorized representative. EDA will retain unsuccessful applications in accordance with EDA's record retention schedule.

2. Administrative and National Policy Requirements

Recipients of an EDA award will be bound by the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) as set forth in 2 C.F.R. part 200.

3. DOC Financial Assistance Standard Terms and Conditions and EDA Standard Terms and Conditions for RLF and Construction Projects

For all projects, EDA will apply the DOC ST&Cs applicable on the date of award. The DOC ST&Cs may be accessed at: <https://www.commerce.gov/oam/policy/financial-assistance-policy>.

For RLF awards, in addition to the DOC ST&Cs, EDA will apply the EDA RLF ST&Cs. The RLF ST&Cs may be accessed at: <https://www.eda.gov/tools/grantee-forms/>.

For construction awards, in addition to the DOC ST&Cs, EDA will apply the Construction ST&Cs. The Construction ST&Cs may be accessed at <https://www.eda.gov/tools/grantee-forms/>.

4. DOC Pre-Award Notification Requirements

DOC will apply the Pre-Award Notification Requirements for Grants and Cooperative Agreements effective December 26, 2014, 79 Fed. Reg. 78,390. The Pre-Award Notice may be accessed at the Government Printing Office (GPO) website at <http://www.gpo.gov/fdsys/pkg/FR-2014-12-30/pdf/2014-30297.pdf>.

5. Reporting

a. Financial, Performance, and Impact Reports

All recipients are required to submit financial, progress, and impact reports in accordance with the terms and conditions of the grant award, generally no less than semi-annually. All project progress and financial reports must be submitted to the applicable EDA program officer in an electronic format to be determined at the time of award.

b. Federal Funding Accountability and Transparency Act of 2006

The Federal Funding Accountability and Transparency Act of 2006 includes a requirement for awardees of applicable Federal grants to report information about first-tier subawards¹⁶ and executive compensation under Federal assistance awards issued in FY 2011 or later. All awardees of applicable grants and cooperative agreements are required to report to the Federal

¹⁶ A first-tier subaward means an award provided by the recipient to a subrecipient for the subrecipient to carry out as part of a Federal award.

Subaward Reporting System (FSRS) available at www.FSRS.gov on all subawards over \$30,000. Please see the OMB guidance published at 2 C.F.R. part 170.

c. Government Performance and Results Act

EDA will require additional data on activities, outputs, and actual impact of the funded investment, in part to fulfill the requirements of the Government Performance and Results Act (GPRA). EDA anticipates that recipients will be expected to track their engagement activities within the scope of work, with project beneficiaries, and other project stakeholders. EDA further anticipates recipients will be expected to collect data, using surveys of beneficiaries or clients if necessary, on the outputs and outcomes of their activities, such as the number of strategic plans or economic development tools developed, the number of new business partnerships formed, or the range of new capabilities acquired. EDA plans to collect this information using Forms ED-915 (Public Works, Economic Adjustment Infrastructure and Revolving Loan Fund Investments) ED-916 (Semi-annual Program Outputs Questionnaire for EDA grantees), ED-917 (Annual Capacity Outcomes Questionnaire for EDA Grantees serving clients), and ED-918 (Annual Capacity Outcomes Questionnaire for EDA Grantees). For more information, please refer to <https://www.eda.gov/performance/gpra>. EDA also expects to engage with leading research institutions to perform third-party program evaluations, which will require cooperation between the grantee, organizations within their service area, and the evaluating institution.

G. Federal Awarding Agency Contacts

For questions concerning this ARPA Tourism NOFO, or more information about EDA programs, you may contact the appropriate EDA representative listed below. Updated contact information can be found on EDA’s website at <https://www.eda.gov/contact>. EDA’s website at <http://www.eda.gov> provides additional information on EDA and its programs.

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**Statewide Planning, State Travel
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H. Other Information

1. Right to Use Information

The applicant acknowledges and understands that information and data contained in applications for financial assistance, as well as information and data contained in financial, performance and other reports submitted by applicants, may be used by the Department of Commerce in conducting reviews and evaluations of its financial assistance programs. For this purpose, applicant information and data may be accessed, reviewed and evaluated by Department of Commerce employees, other Federal employees, and also by Federal agents and contractors, and/or by non-Federal personnel, all of whom enter into appropriate conflict of interest and confidentiality agreements covering the use of such information. As may be provided in the terms and conditions of a specific financial assistance award, applicants are expected to support program reviews and evaluations by submitting required financial and performance information and data in an accurate and timely manner, and by cooperating with Department of Commerce and external program evaluators. In accordance with 2 C.F.R. § 200.303(e), applicants are reminded that they must take reasonable measures to safeguard protected personally identifiable information and other confidential or sensitive personal or business information created or obtained in connection with a Department of Commerce financial assistance award.

2. Publication of Applications and Freedom of Information Act Disclosure

EDA may publish any applications it receives, including any supporting documentation, on its website or through other means. Applicants are advised that any confidential commercial information that should not be disclosed must be identified, bracketed, and marked as Privileged, Confidential, Commercial or Financial Information.

In addition, Department of Commerce regulations implementing the Freedom of Information Act (FOIA), 5 U.S.C. Sec. 552, are found at 15 C.F.R. Part 4, Public Information. These regulations set forth rules for the Department regarding making requested materials, information, and records publicly available under the FOIA. Applications submitted in response to this Notice of Funding Opportunity may be subject to requests for release under the Act. In the event that an application contains information or data that the applicant deems to be confidential commercial information that should be exempt from disclosure under FOIA, that information should be identified, bracketed, and marked as Privileged, Confidential, Commercial or Financial Information. In accordance with 15 C.F.R. § 4.9, the Department of Commerce will protect from disclosure confidential business information contained in financial assistance applications and other documentation provided by applicants to the extent permitted by law.

3. Notice of Government-Wide Procurement Restriction

The general rule for Federal financial assistance is that contractors that develop draft specifications, requirements, statements of work, invitations for bids or requests for proposals are prohibited from competing for the final procurement. For instance, a professional engineer or architect who prepared the Preliminary Engineering Report for an EDA application would be excluded from bidding on the same work under the award. Under 2 C.F.R. §§ 200.319 and 200.317, only State recipients are expressly exempt from this prohibition. Local governments and Indian Tribes may also take advantage of the exemption in two narrow circumstances: (i) if they are required (by statute, for example) to follow the State's procurement rules in full and without exception; or (ii) if they are required to follow a specific State procurement rule that creates an explicit conflict with the prohibition in 2 C.F.R. § 200.319(a) (i.e., there is a statute that requires or permits the local government or Indian Tribe to award the final procurement to the same contractor that developed the draft specifications). Absent one of these two scenarios, the local government or Indian Tribe must comply with the prohibition. Applicants are encouraged to contact the appropriate POC listed in section G with any questions regarding application of this regulation.

4. Past Performance and Non-Compliance with Award Provisions

Unsatisfactory performance under prior Federal awards may result in an application not being considered for funding. Failure to comply with any or all of the provisions of an award may have a negative impact on future funding by DOC (or any of its operating units) and may be considered grounds for any or all of the following actions: (1) establishing an account receivable; (2) withholding payments to the recipient under any DOC award(s); (3) changing the method of payment from advance to reimbursement only; (4) imposing other specific award conditions; (5) suspending any active DOC award(s); and (6) terminating any active DOC award(s).

5. Certifications Required by Annual Appropriations Acts for Corporations and for Awards over \$5 Million

As discussed in section D.3 (p. **Error! Bookmark not defined.**), all applicants are required to be registered in SAM before applying under this NOFO. SAM requires registering entities to certify compliance with all limitations imposed by annual appropriation acts. For corporations, this certification includes that the corporation:

(a) Was not convicted of a felony criminal violation under a Federal law within the preceding 24 months, unless a Federal agency has considered suspension or debarment of the corporation and made a determination that this further action is not necessary to protect the interests of the Government; and/or

(b) Does not have any unpaid Federal tax liability that has been assessed, for which all judicial and administrative remedies have been exhausted or have lapsed, and that is not being paid in a timely manner pursuant to an agreement with the authority responsible for collecting the tax liability, unless a Federal agency has considered suspension or debarment of the corporation and made a determination that this further action is not necessary to protect the interests of the Government.

For financial assistance awards in excess of \$5 million, this certification includes that the entity:

- (a) To the best of its knowledge and belief, has filed all Federal tax returns required during the three years preceding the certification;
- (b) Has not been convicted of a criminal offense under the Internal Revenue Code of 1986; and/or
- (c) Has not been notified, more than 90 days prior to certification, of any unpaid Federal tax assessment for which the liability remains unsatisfied, unless the assessment is the subject of an installment agreement or offer in compromise that has been approved by the Internal Revenue Service and is not in default, or the assessment is the subject of a non-frivolous administrative or judicial proceeding.

6. EDA's Non-Relocation Policy

If an application is selected for award, the recipient will be required to adhere to a specific award condition relating to EDA's non-relocation policy as follows:

In signing this award of financial assistance, Recipient(s) attests that EDA funding is not intended by the Recipient to assist its efforts to induce the relocation of existing jobs within the U.S. that are located outside of its jurisdiction to within its jurisdiction in competition with other U.S. jurisdictions for those same jobs. In the event that EDA determines that its assistance was used for those purposes, EDA retains the right to pursue appropriate enforcement action in accord with the Standard Terms and Conditions of the Award, including suspension of disbursements and termination of the award for convenience or material noncompliance, which may include the establishment of a debt requiring the Recipient to reimburse EDA.

For purposes of ensuring that EDA assistance will not be used to merely transfer jobs from one location in the United States to another, each applicant must inform EDA of all employers that constitute primary beneficiaries of the project assisted by EDA. EDA will consider an employer to be a "primary beneficiary" if: (i) the employer is specifically named in the application as benefitting from the project, and the applicant estimates that the employer will create or save 100 or more permanent jobs as a result of the investment assistance (if the jobs in question were originally located in a smaller community, EDA may extend this policy to the relocation of 50 or more jobs); or (ii) the employer is or will be located in an EDA-assisted building, port, facility, or industrial, commercial, or business park constructed or improved in whole or in part with investment assistance prior to EDA's final disbursement of funds.

7. Audit Requirements

Single or program-specific audits shall be performed in accordance with the requirements contained in the Uniform Guidance (see 2 C.F.R. part 200, Subpart F, "Audit Requirements"). The Uniform Guidance requires any non-Federal entity (i.e., non-profit organizations, including non-profit institutions of higher education and hospitals, States, local governments, and Indian Tribes) that expends Federal awards of \$750,000 or more in the recipient's fiscal year to conduct a single or program-specific audit in accordance with the requirements set out in the Uniform Guidance.

8. Implementing the Americans with Disabilities Act (ADA)

The U.S. Department of Justice has issued revised regulations implementing Title II of the ADA (28 C.F.R. Part 35; 75 Fed. Reg. 56,164 (Sep. 15, 2010), as amended by 76 Fed. Reg. 13,285 (Mar. 11, 2011)) and Title III of the ADA (28 C.F.R. Part 36; 75 Fed. Reg. 56,236 (Sep. 15, 2010), as amended by 76 Fed. Reg. 13,286 (Mar. 11, 2011)). See also 15 C.F.R. 8b for Department of Commerce regulations prohibiting discrimination on the basis of handicap in any program or activity receiving providing financial assistance.

9. Fraud Awareness Training

Consistent with 2 C.F.R. part 200, in signing a financial assistance award, Recipient personnel responsible for managing the Recipient's finances and overseeing any contractors, sub-contractors or sub-grantees, will be required to complete the training PowerPoint entitled "Compliance with EDA Disaster Assistance Program Requirements" and return the signed Certificate of Training Completion to EDA as instructed by the Agency. Further, Recipient will be required to monitor award activities for common fraud schemes and report suspicious activity to EDA and the Office of Inspector General.

I. Instructions for Application Submission via Grants.gov

The most up-to-date instructions for application submission via Grants.gov can be found at <https://www.grants.gov/web/grants/applicants/apply-for-grants.html>. To begin, complete, and submit your application:

- Navigate to <https://www.grants.gov/web/grants/applicants/apply-for-grants.html>;
- Click "Search for Opportunity Package";
- In the "Funding Opportunity Number" field, enter "EDA-2021-ARPATOURISM";
- Click "Search";
- Click "Apply";
- Enter your email address (if you would like to receive updates from Grants.gov regarding this grant opportunity) or check the box that indicates you do not wish to provide it, then click "Submit";
- Choose to apply using Workspace by clicking "Login to Apply Now" or choose to download the legacy application package by clicking "Download Package"; and
- Follow the instructions provided on the Grants.gov website and on each webpage to complete and submit your application.

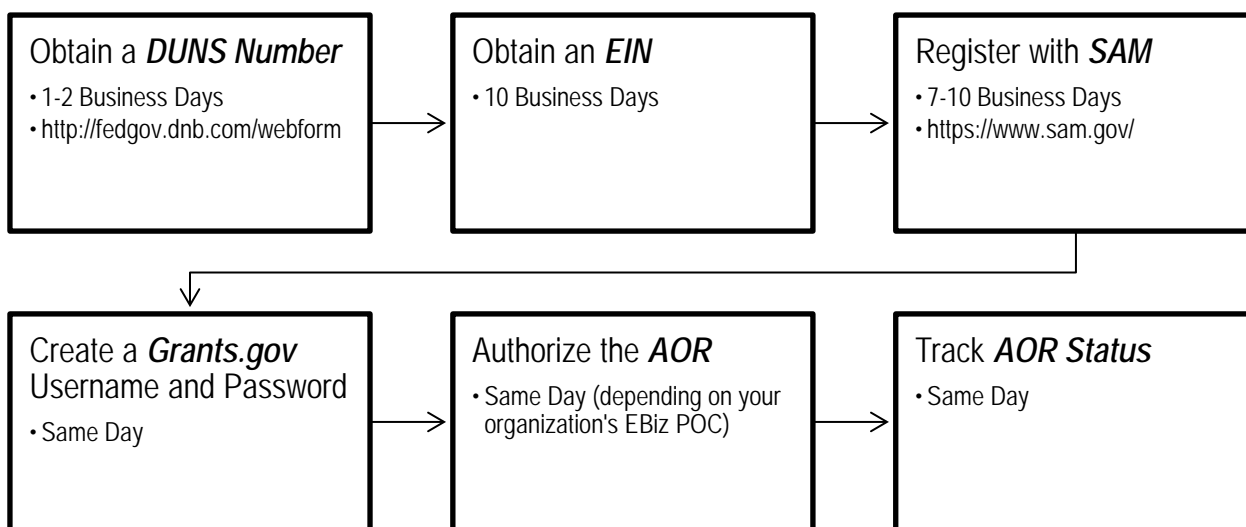
1. Register Early and Submit Early.

To submit an application through <http://www.grants.gov/> (Grants.gov), an applicant must register for a Grants.gov user ID and password. Note that this process can take between **three to five business days** or **as long as four weeks** if all steps are not completed correctly. Information about the Grants.gov registration process for organizations can be found at <http://www.grants.gov/web/grants/applicants/organization-registration.html>. Please note that organizations already registered with Grants.gov do not need to re-register; however, all

registered organizations must keep their System for Award Management (SAM), which includes the Central Contractor Registration (CCR) database, registration up-to-date through sam.gov or their applications will not be accepted by Grants.gov.

a. Pre-Submission Registration

Before submitting a Full Application under this NOFO, each applicant must both register with Grants.gov and register its Authorized Organization Representative (AOR) with Grants.gov. Applicants should note that this process can be lengthy, requires interaction with multiple organizations not affiliated with EDA, and requires confirmation at each step.



Applicants may have already completed one or more of the steps set forth in the above flowchart, which depicts an example of how the pre-submission registration process generally flows (e.g., applicants may have already registered with Grants.gov, in which case they do not need to re-register). However, note that applicants that have not completed any of the above steps may require 23 or more business days to complete the required steps serially. Grants.gov is a centrally-managed Federal grants portal, and changes or updates to the process outlined above may occur after the publication of this NOFO. Prospective applicants should visit <http://www.grants.gov/web/grants/applicants/organization-registration.html> to ensure that they follow the most up-to-date instructions.

2. AOR Requirement

Applicants must register as organizations, not as individuals. As part of the registration process, you will register at least one Authorized Organization Representative (AOR) for your organization. AORs registered at Grants.gov are the only officials with the authority to submit applications at Grants.gov so please ensure that your organization's application is submitted by an AOR. **If the application is submitted by anyone other than your organization's AOR, it will be rejected by the Grants.gov system and cannot be considered by EDA.** Note that a given organization may designate multiple individuals as AORs for Grants.gov purposes.

3. Field Limitations and Special Characters

Please be advised that [Grants.gov](https://www.grants.gov) provides the following notice with respect to form field limitations and special characters: <https://www.grants.gov/web/grants/applicants/submitting-utf-8-special-characters.html>.

4. Verify That Your Submission Was Successful

Applicants should save and print written proof of an electronic submission made at Grants.gov. Applicants can expect to receive multiple emails regarding the status of their submission. Since email communication can be unreliable, applicants must proactively check on the status of their application if they do not receive email notifications within a day of submission.

An applicant should expect to receive two initial emails from Grants.gov: the first will confirm receipt of the application, and the second will indicate that the application has either been successfully validated by the system before transmission to EDA or has been rejected due to errors. It can take up to two business days after Grants.gov receives an application for applicants to receive email notification of an error. Applicants will receive a third email once EDA has retrieved their applications.

EDA requests that applicants kindly refrain from submitting multiple copies of the same application package.

Applicants should save and print both the confirmation screen provided on the Grants.gov website after the applicant has submitted an application, and the confirmation email sent by Grants.gov when the application has been successfully received and validated in the system. If an applicant receives an email from Grants.gov indicating that the application was received and subsequently validated, but does not receive an email from Grants.gov indicating that EDA has retrieved the application package within 72 hours of that email, the applicant may contact EDA using the contact information in section G (p. **Error! Bookmark not defined.**) of this announcement to inquire if EDA is in receipt of the applicant's submission.

It is the applicant's responsibility to verify that its submission was timely received and validated successfully at Grants.gov. To see the date and time your application was received, navigate to <https://www.grants.gov> and click on the "Track My Application" link under the "Applicants" tab. For a successful submission, the application must be received and validated by Grants.gov and an agency tracking number assigned. If your application has a status of "Received" it is awaiting validation by Grants.gov. Once validation is complete, the status will change to "Validated" or "Rejected with Errors." If the status is "Rejected with Errors," your application has not been received successfully. For more detailed information on why an application may be rejected, please see "Encountering Error Messages" at <https://www.grants.gov/web/grants/applicants/encountering-error-messages.html> and "Frequently Asked Questions by Applicants" at <https://www.grants.gov/web/grants/applicants/applicant-faqs.html>.

5. Grants.gov Systems Issues

If you experience a Grants.gov systems issue (i.e., a technical problem or glitch with the Grants.gov website) that you believe threatens your ability to complete a submission in a timely manner, please (i) print any error message received; (ii) call the Grants.gov Contact Center at (800) 518-4726 for assistance; and (iii) contact EDA using the contact information in section G (p. **Error! Bookmark not defined.**) of this NOFO. Ensure that you obtain a case number regarding your communications with Grants.gov. Please note that problems with an applicant's computer system or equipment are **not** considered systems issues. Similarly, an applicant's failure to, e.g., (i) complete the required registration, (ii) ensure that a registered AOR submits the application, or (iii) notice receipt of an email message from Grants.gov are **not** considered systems issues. A Grants.gov systems issue is an issue occurring in connection with the operations of Grants.gov itself, such as the temporary loss of service by Grants.gov due to unexpected volume of traffic or failure of information technology systems, both of which are highly unlikely. In the event of a confirmed systems issue, EDA reserves the right to accept an application in an alternate format.

Applicants should access the following link for assistance in navigating Grants.gov and for a list of useful resources: <http://www.grants.gov/web/grants/support.html>. If you do not find an answer to your question under the "Applicant FAQs," try consulting the "Grants Online User Guide" at https://www.grants.gov/help/html/help/Get_Started/Get_Started.htm or contacting Grants.gov by email at support@grants.gov or telephone at 1-800-518-4726. The Grants.gov Contact Center is open 24 hours a day, seven days a week, except on Federal holidays.

1 **CITY OF HOMER**
2 **HOMER, ALASKA**

3 City Manager

4
5 **ORDINANCE 21-58**

6
7 AN ORDINANCE OF THE CITY COUNCIL OF HOMER, ALASKA,
8 AMENDING THE FY 2022 CAPITAL BUDGET BY APPROPRIATING
9 \$75,000 FROM THE HERC CARMA FUND FOR PROFESSIONAL
10 SERVICES FOR A PUBLIC PROCESS AND FEASIBILITY STUDY OF A
11 NEW MULTI-USE CENTER.

12
13 WHEREAS, The Homer Education Recreation Complex (HERC) Task Force completed its
14 work in January, 2019; and

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16 WHEREAS, The HERC demolition/Community Recreation Center was identified as a
17 Council-Initiated 2020 Priority; and

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19 WHEREAS, Demolition cost for the two structures on the site has been estimated; and

20
21 WHEREAS, The COVID-19 pandemic paused work on many city priorities; and

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23 WHEREAS, The City and Council are now able to refocus efforts on large projects to
24 benefit the City; and

25
26 WHEREAS, Due to federal funding there is a near term opportunity to apply for grants
27 to cover the demolition of the existing structures and fund a design-build process for a new
28 multi-use facility; and

29
30 WHEREAS, To apply for funds the City and its residents need to clarify what kinds of
31 public and private activities should take place in a new facility, and how the facility will cover
32 operations and maintenance expenses after construction; and

33
34 WHEREAS, Hiring a consultant to work through a public process with citizens and to
35 create a long term business plan is needed if the City is going to apply for funding, and to
36 support the facility long term if the project is constructed.

37
38 NOW, THEREFORE, THE CITY OF HOMER ORDAINS:

39
40 Section 1. The Homer City Council hereby amends the FY 2022 Capital Budget by
41 appropriating \$75,000 from the HERC CARMA FUND for professional services.

44	<u>Account</u>	<u>Description</u>	<u>Amount</u>
45	156-0396	HERC CARMA FUND	\$75,000

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Section 2. This is a budget amendment ordinance only, is not permanent in nature, and shall not be codified.

ENACTED BY THE CITY COUNCIL OF HOMER, ALASKA, this 27th day of September, 2021.

CITY OF HOMER

KEN CASTNER, MAYOR

ATTEST:

MELISSA JACOBSEN, MMC, CITY CLERK

YES:

NO:

ABSTAIN:

ABSENT:

First Reading:

Public Reading:

Second Reading:

Effective Date:



City of Homer

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Memorandum 21-159

TO: Mayor Castner and Homer City Council
FROM: Rob Dumouchel, City Manager
DATE: September 3, 2021
SUBJECT: HERC Planning Funding

The redevelopment of the HERC campus has been a high priority for the City for some time now. Momentum on the project was lost with the outbreak of the COVID-19 pandemic in 2020. Council and Administration have both been actively working to get the HERC project back underway.

The ordinance to be introduced on September 13th which appropriates \$75,000 from the HERC CARMA fund for professional services for public process and feasibility of a new multi-use center, is a big first step towards developing the project and moving it forward.

Originally, I intended to have a work session first, and then to bring forward a funding opportunity. Potential funding from the Economic Development Administration (EDA) through the American Rescue Plan Act has altered the timeline. On September 1st I met with Tim Dillon of the Kenai Peninsula Economic Development District (KPEDD) and Shirley Kelly who is the top EDA official in Alaska. During that conversation it became apparent that the HERC's redevelopment could be a very competitive project for a travel, tourism & outdoor recreation grant program. I would like to accelerate the process with the help of a consultant.

Staff will still be hosting a HERC work session on September 27th. We hope to get this ordinance adopted that evening so that we can launch an RFP for professional services shortly thereafter and award a contract by the end of October.

Staff Recommendation: Introduce ordinance on September 13th, adopt on September 27th.