



Agenda

Parks, Art, Recreation & Culture Advisory Commission Regular MeetingRegular Meeting

Thursday, August 21, 2025DATE at 5:30 PM

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

Homer City Hall

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

Zoom Webinar ID: 990 6701 0473 Password: 295088

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

CALL TO ORDER 5:30 P.M.

AGENDA APPROVAL

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

VISITORS/PRESENTATIONS (10 minute time limit)

- A. Friends of the Skate Park
- B. FY27 Capital Improvement Plan Presentation - Jenny Carroll, Special Projects & Communications Coordinator

RECONSIDERATION

CONSENT AGENDA All items on the consent agenda are considered routine and non-controversial by the Parks Art Recreation & Culture Advisory Commission and are approved in one motion. There will be no separate discussion of these items unless requested by a Commissioner or someone from the public, in which case the item will be moved to the regular agenda and considered in normal sequence.

- A. Unapproved Meeting Minutes for June 19, 2025

STAFF & COUNCIL REPORT/COMMITTEE REPORTS (5 minute time limit)

- A. Parks Monthly Staff Report - Chad Felice
- B. Community Recreation Monthly Report - Mike Illg, Recreation Manager
- C. Monthly Staff Report - Mike Illg, Recreation Manager

PUBLIC HEARING

PENDING BUSINESS (15 minute time limit)

- [A.](#) Review and Recommendations on the Draft 2026-2031 Capital Improvement Plan
- B. Nomar Wall Mural Update - Chad Felice, Parks Maintenance Coordinator

NEW BUSINESS (15-20 minute time limit)

- [A.](#) Proposed Karen Hornaday Park Trail
- [B.](#) Consideration of Recommending a Bed Tax for the City of Homer
- [C.](#) Appointment to the Facilities & Equipment Committee
- [D.](#) Recommendation to Form a Homer High Pool Task Force
- E. Trail Financial Plan Review and Discussion

INFORMATIONAL MATERIALS

- [A.](#) 2025 Annual Calendar

COMMENTS OF THE AUDIENCE (3 minute time limit)

COMMENTS OF THE CITY STAFF

COMMENTS OF THE MAYOR/COUNCIL MEMBER (If present)

COMMENTS OF THE COMMISSION

ADJOURNMENT

Next Regular Meeting is **Thursday, September 18, 2025 at 5:30 p.m.** All meetings scheduled to be held in the City Hall Cowles Council Chambers located at 491 E. Pioneer Avenue, Homer, Alaska and via Zoom Webinar.

AGENDA APPROVAL

PUBLIC COMMENTS ON MATTERS ALREADY ON THE AGENDA The Public may comment on items already on the agenda not listed under Public Hearings. (3 minute time limit)

VISITORS/PRESENTATIONS (10 minute time limit)

RECONSIDERATION

CONSENT AGENDA All items on the consent agenda are considered routine and non-controversial by the Parks Art Recreation & Culture Advisory Commission and are approved in one motion. There will be no separate discussion of these items unless requested by a Commissioner in which case the item will be moved to the regular agenda and considered in normal sequence. No motion is required.

STAFF & COUNCIL REPORT/COMMITTEE REPORTS (5 minute time limit)

PUBLIC HEARING(S)

PENDING BUSINESS (15 minute time limit)

NEW BUSINESS (15-20 minute time limit)

INFORMATIONAL MATERIALS

COMMENTS OF THE AUDIENCE (3 minute time limit)

COMMENTS OF THE CITY STAFF

COMMENTS OF THE MAYOR/COUNCIL MEMBER (If Present)

COMMENTS OF THE COMMISSION

ADJOURNMENT

Next Regular Meeting is **DAY, DATE at 5:30 p.m.** All meetings scheduled to be held in the City Hall Cowles Council Chambers located at 491 E. Pioneer Avenue, Homer, Alaska and via Zoom Webinar.

CALL TO ORDER

Session 25-02, a Regular Meeting of the Parks, Art, Recreation and Culture Advisory Commission was called to order by Chair Lewis at 5:30 p.m. on June 19, 2025 in the City Hall Cowles Council Chambers located at 491 E. Pioneer Avenue, Homer, Alaska and via Zoom Webinar.

PRESENT: COMMISSIONERS ARCHIBALD, LEWIS, KEISER, PARSLEY & ROEDL

ABSENT: COMMISSIONERS STEFANO, HARRALD

STAFF: RECREATION MANAGER ILLG, STUDENT REPRESENTATIVE OSTROM, & DEPUTY CITY CLERK APPEL

AGENDA APPROVAL

Chair Lewis introduced the topic.

KEISER/ARCHIBALD MOVED TO APPROVE THE AGENDA AS PRESENTED.

There was no discussion.

VOTE: NON-OBJECTION: UNANIMOUS CONSENT.

Motion carried.

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

Jason Davis, city resident and City Council member, stated he was in attendance to listen to the discussion of the proposed location for the new Community Recreation Center.

VISITORS/PRESENTATIONS (10-minute time limit)

A. City of Homer Port & Harbor- Bryan Hawkins

Port and Harbor Director, Bryan Hawkins, spoke to the Commission regarding possible CIP items to update and upgrade the campgrounds on the Spit.

RECONSIDERATION

CONSENT AGENDA

A. Unapproved Meeting Minutes – May 15th Regular Meeting

ROEDL/KEISER MOVED TO ADOPT THE CONSENT AGENDA AS PRESENTED.

There was no discussion

VOTE: NON-OBJECTION: UNANIMOUS CONSENT.

Motion carried.

STAFF & COUNCIL REPORT/COMMITTEE REPORTS (5-minute time limit)

A. Parks Monthly Report

Chair Lewis introduced the item by reading of the title. Report was provided in the packet.

B. PARCAC Staff Report

Chair Lewis introduced the item by reading the title and deferred to Recreation Manager Illg. Mr. Illg recapped his report summarizing actions of City Council including Memorandum 25-166 in regard to the trails at Karen Hornaday Park. He said the trails discussion would likely come to the Commission in the August or September meeting.

C. Community Recreation Report

Chair Lewis introduced the item by reading of the title and deferred to Recreation Manager Illg, who provided a report on the following:

- Haz-mat discovered at HERC
- Public Works working with the State to fix HERC findings
- MOU for school district will be presented at the next City Council meeting

PUBLIC HEARING

PENDING BUSINESS

A. Policies and Procedures- Recreation

Chair Lewis introduced the item by reading the title and deferring to Community Recreation Manager Illg. Mr. Illg discussed the updates to the Youth Protection Policy as well as the previously suggested changes to the Policies and Procedures document. The Commission suggested adding a signature line on the back of the finalized document for employees to sign once reviewed.

B. Location of New Community Recreation Center

Chair Lewis introduced the item by reading the title and deferring to Community Recreation Manager Illg. Mr. Illg provided background information surrounding the proposed location and insight into what other Advisory Bodies had commented on. Commission carried discussion including the following topics:

- Currently owned by the City of Homer
- Central location in town- checks box as asked by the public
- Size of lot to allow for future expansion
- Project has been on the City's CIP list for a long time as the #2 project
- Walkability/accessibility from the schools
- Proposed lot should have scored higher on the original matrix
- Hope to provide space for creative use/multipurpose
- Mindful of water running through property during development
- Cost of HEA property and if the size of that lot is even sufficient for the rec center needs

Shelly Erickson, City Council member, was invited to speak on the topic. She brought up points including:

- Property being large enough to expand for future development

- Center of town- accessibility
- Relatively easy to get utilities installed
- Potential to work with private developers in a public/private partnership
- The potential to have a space large enough to bring a year round market of tournaments to Homer-boosting the economy
- Homer Foundation has set up an account so the public can donate for all the hard assets of the building and equipment.

Jason Davis, City Council member, also commented on the rec center stating that he and Council Member Aderhold would be introducing a funding proposal related to a new sales tax as a funding mechanism to start accumulating money for a new building.

The Commission unanimously agreed for Staff to draft a memo and present it to City Council in support of the proposed location.

NEW BUSINESS

A. CIP Process: Parks, Rec, & Camping Projects

Chair Lewis introduced the topic and deferred to Community Recreation Manager Illg. Mr. Illg explained the CIP list and asked for the Commission to start thinking about projects they would like to have potentially added to the list. The Commission carried discussion on some ideas including the following:

- Ball fields at Jack Gist
- Bathrooms at Bishop's Beach
- Expansion of the shoulder on Kachemak Drive
- Expansion of the shoulders on both East and West Hill Roads
- Trail connecting East End Road and the Spit via Kachemak Drive
- Trails behind Karen Hornaday Park
- Skate park

B. Budget- Allocation of PARCAC Funds

Chair Lewis introduced the topic and deferred to Recreation Manager Illg. Mr. Illg explained that the previous discussion for a city map wasn't feasible, but the Commission could move forward with a QR Code sign linked to a site managed by Bunnell Street Art Gallery. This QR code would provide information and locations of existing art in the City.

KEISER/ARCHIBALD MOVED TO APPROVE THE SPENDING OF THE COMMISSION'S ALLOCATED \$500 FOR A QR CODE SIGN PRODUCED BY BUNNELL STREET ART GALLERY.

There was no discussion

VOTE: NON-OBJECTION: UNANIMOUS CONSENT.

Motion carried.

INFORMATIONAL MATERIALS

A. Annual Calendar 2025

Chair Lewis noted the informational materials included in the packet. Commissioner Roedl volunteered to deliver the Commission's report at the next City Council meeting.

COMMENTS OF THE AUDIENCE (3-minute time limit)

COMMENTS OF THE CITY STAFF

Deputy City Clerk Appel thanked the Commission for the meeting and stated she appreciates the Commission's patience during the learning moments.

Community Recreation Manager Illg thanked everyone for the meeting, making note of how much he appreciated the Council members being in attendance. He also thanked the clerk for all the work done.

COMMENTS OF THE MAYOR/CITY COUNCIL

COMMENTS OF THE COMMISSION

Student Representative Ostrom said he is excited to talk about the Karen Hornaday trails in August.

Commissioner Keiser thanked the clerk for her service to the Commission. She asked Staff to talk to Public Works about the possibility of leveling some campsites at Karen Hornaday. She also asked that Staff stay in contact with the representatives for the skate park so their needs could be addressed.

Commissioner Archibald stated Chair Lewis gives a good meeting. He suggested that moving forward, the Commission decides who will do the Council report at the beginning of the meeting so they can be actively taking notes.

Commissioner Roedl said it was nice working with the Commission.

Commissioner Parsley thanked everyone for the meeting. He said he is grateful to be on this Commission and able to have these conversations.

Chair Lewis thanked the clerk and said it was a good meeting.

ADJOURNMENT

There being no further business to come before the Commission, Chair Lewis adjourned the meeting at 7:30 p.m. The next regular meeting is **Thursday, June 19, 2025 at 5:30 p.m.** All meetings scheduled to be held in the City Hall Cowles Council Chambers located at 491 E. Pioneer Avenue, Homer, Alaska and via Zoom Webinar.

Ashley Appel, Deputy City Clerk I

Approved: _____



City of Homer

www.cityofhomer-ak.gov

Public Works

3575 Heath Street
Homer, AK 99603

publicworks@cityofhomer-ak.gov

(p) 907- 235-3170

(f) 907-235-3145

Memorandum

TO: PARKS, ART, RECREATION AND CULTURE ADVISORY COMMISSION
FROM: CHAD FELICE, PARKS MAINTENANCE COORDINATOR
DATE: August 21, 2025
SUBJECT: PARKS REVIEW FOR JUNE, JULY

KAREN HORNADAY PARK PLAYGROUND

- Camping is going great!!
- Mobile restroom has had a lot of complements
- 3 big special events went well at the park, Highland games, COTL, and the back to school fair
- General mowing of the campgrounds and marking things that need to be cleared back in the off season

JACK GIST PARK

- Youth softball and adult softball tournaments we well
- Brushing some of the disk golf course
- We removed the mobile restroom after the adult tournament it was vandalized before then
- Put up some new road signs on Adams and in the parking lot

GENERAL INFORMATION

- Angie is doing a great job with the flowers
- Got another seasonal staff member
- Both seasonal guys are doing most of the mowing
- A lot of trail work
 - Trail by West Homer is all re-done(pictures below)
 - Started prepping for new material on the middle Poopdeck trail
 - Brush cut just about every trail at least once
 - Reber trail has gotten some much needed brushing back
- Met with Renee on the Nomar Wall
- Think we need to have a discussion about E-bikes on trails (we can talk more at the meeting)
- I am sure there is more I will think of for the meeting





MEMORANDUM

Item Type: Informational Memorandum Community Recreation
Prepared For: Parks, Arts, Recreation & Culture Advisory Commission
Date: July 28, 2025
From: Mike Illg, Recreation Manager/Staff Liaison

Programming & Special Events: Please view the monthly calendar for reference of the programs, activities and special events provided. Some news and highlights to share:

The City of Homer (City) has been working with the Alaska Department of Conservation (ADEC) on characterizing the potential hazardous materials within the Homer Education and Recreation Complex (HERC) in order to determine the potential environmental reclamation that may be required in advance of future demolition. Recent testing has discovered there is lead paint in the activity/multi-purpose room at the HERC. All programs in this space have been cancelled indefinitely until the situation is mitigated. **Updated information:** best case scenario per Community Development Director Julie Engebretsen is that this could be mitigated and ready use as early as the end of October and into December but that is simply a educational prediction at this point. **Due to this closure,** CR will be outright cancelling our drop in morning fitness classes, the karate program and had to turn away a new Pilates class that was hoping to start this fall. The schools are simply not available for these programs due to school being in session and the lack of space afterschool/evenings.

We now have a sign Community Recreation **MOU with KPBSD** to renew a 1-year agreement to use the school facilities and equipment and this was approved by the City on Council at the June 20th City Council meeting. We will need to assign a PARCAC member to volunteer to sit on this committee to review the agreement annually.

Staff has been working on **updating and streamlining the website** to improve calendar system and general information for the Community Recreation website. This is a work in progress as we learn to set up and utilize the city's website on how to set up links and embed calendars. This should ideally simplify the page for participants and improve efficiency for staff.

Community Rec has teamed up with the SPARC and the Homer Pickleball Club to create, print and distribute **promotional rack cards** for the Homer chamber of Commerce and Homer Airport to provide information where and how to play pickleball in Homer. Pickleball is a significant recreational


and tourism draw for locals and visitors. We recently had a renowned hall of fame pickleball player Scott Moore in town with a large group of travelers specifically to play pickleball in Homer at the HERC. The essentially participated in many other great activities in the Homer area and will likely spur future interest of this high-end pickleball tours in Homer.

The **Homer High Gym floor was originally scheduled to be closed from June 17-27** for floor refinishing. This was extended to July 5th due to the additional prep time need to for the contractor. As a result, all CR evening basketball and Sunday and Tuesday volleyball was cancelled during this time while we were able to reschedule morning basketball at the HERC. We were able to offer the use the HERC gym for Homer High volleyball team off season practice as well.

Outdoor pick up **soccer and ultimate Frisbee** are still ongoing with varying levels of participation due to weather, fishing and other competing forces during the summer time activities. Thanks for Ginny Espenshade and Loretta Brown for their dedicated volunteerism in making these programs happen!

We are offering a summertime **Slow Flow Yoga class** with returning college student Olivia Glasman. The class meets on Sunday evenings 5-6pm at Homer High June 22-August 10.

City of Homer Community Rec August 2025

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
	Color Key BLACK=Homer High BLUE=Homer Middle PURPLE=HERC RED=Cancellation YELLOW HIGHLIGHT=Location Change GREEN HIGHLIGHT=New Program or Special Event	DISCLAIMER: ALL ACTIVITIES ARE SUBJECT TO CHANGE OR BEING CANCELLED WITH LIMITED NOTIFICATION			1 6-7am MORNING BB at HHS 9-11am Drop in PICKLEBALL at HERC 4:30-8pm Drop in PICKLEBALL at HERC 7-9pm DROP IN SOCCER at HHS	2 9:30-11:30AM INTRO TO PICKLEBALL at HERC
3 4-6pm BASKETBALL at HHS 5-6pm SLOW FLOW YOGA at HHS 6:30-8:30pm VOLLEYBALL at HHS 6:30-8:30pm DROP IN SOCCER at HHS	4 6-7am MORNING BB at HHS 9-11am Drop in PICKLEBALL at HERC 3-4PM CENTER KIDS at HERC 4:30-8pm Drop in PICKLEBALL at HERC 7:30-9:30pm DROP IN FRISBEE at HHS	5 3-4PM CENTER KIDS at HERC 4:30-7pm 3.5 -Up Skill level PICKLEBALL at HERC 6:30-8:30pm VOLLEYBALL at HHS	6 6-7am MORNING BB at HHS 9-11AM Drop in PICKLEBALL at HERC 11am-1pm INTRO TO PICKLEBALL at HERC 3-4PM CENTER KIDS at HERC 4:30-8pm Drop in PICKLEBALL at HERC 6:30-8:30pm BASKETBALL at HHS 7:30-9:30pm DROP IN SOCCER at HHS	7 3-4PM CENTER KIDS at HERC 4-6:30pm 3.5 -Up Skill level PICKLEBALL OPEN PLAY at HERC 6:30-8:30pm VOLLEYBALL at HERC 7:30-9:30pm DROP IN FRISBEE at HHS	8 6-7am MORNING BB at HHS 9-11am Drop in PICKLEBALL at HERC 4:30-8pm Drop in PICKLEBALL at HERC 7:30-9:30pm DROP IN SOCCER at HHS	9 9:30-11:30AM INTRO TO PICKLEBALL at HERC
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City of Homer Community Rec July 2025

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MEMORANDUM

Item Type: Informational Memorandum
Prepared For: Parks, Arts, Recreation & Culture Advisory Commission
Date: August 12, 2025
From: Mike Illg, Recreation Manager/Staff Liaison

The following City Council resolutions and ordinances activity relevant to the Park, Arts, Recreation and Culture Advisory Commission since the last PARCAC regular meeting on June 20, 2025.

June 23, 2025 City Council Regular Meeting

Mayor Lord recognized July as “Parks and Recreation Month” (40th year!)

Resolution 25-061, A Resolution of the City Council of Homer, Alaska, Approving the Kenai Peninsula Borough School District Agreement for Joint Use of Equipment and Facilities for the Period July 1, 2025 through June 30, 2026, and Authorizing the City Manager to Negotiate and Execute the Appropriate Documents. City Manager. **Adopted.**

Ordinance 25-39(S), An Ordinance of the City Council of Homer, Alaska, Appropriating Funds for the Fiscal Years 2026 and 2027 Capital Budget. City Manager. Introduction May 12, 2025 Public Hearings and Second Reading May 27, 2025, June 9, 2025 and June 23, 2025. **Adopted.**

Ordinance 25-44(A), An Ordinance of the City Council of Homer, Alaska, Appropriating up to \$250,000 from the Homer Accelerated Roads and Trails (HART) Trails Fund for the Development of a Trailhead and Trail Segment on the East Side of the Sterling Highway at Green Timbers in Accordance with the Diamond Creek Recreation Area Trails Plan. Aderhold. Introduction June 9, 2025 Public Hearing and Second Reading June 23, 2025. **Postponed.**

Ordinance 25-46, An Ordinance of the City Council of Homer, Alaska, Amending HCC 9.16.010 to Provide for the Retention of the 0.3% Sales Tax Designated for the Purpose of Financing the Acquisition and Construction of a Multi-Purpose Community Recreation Center upon the City Accruing Sufficient Funding to Pay Off the Police Station Debt Service and Submitting the Question of Such Sales Tax Retention to the Qualified Voters of the City at the Regular Election to be Held in the City on October 7, 2025. Aderhold/Davis. Introduction June 23, 2025 Public Hearing and Second Reading July 28, 2025. **Introduced.**

July 28, 2025 City Council Regular Meeting

Ordinance 25-46(A), An Ordinance of the City Council of Homer, Alaska, Amending HCC 9.16.010 to Provide for the Retention For 8 Years of 0.3% Sales Tax Designated for the Purpose of Financing Acquisition and Construction of a Multi-Purpose Community Recreation Center Upon the City Accruing Sufficient Funding to Pay Off the Police Station Debt Service and Submitting the Question of Such Sales Tax Retention to the Qualified Voters of the City at the Regular Election to be Held in the City on October 7, 2025. Aderhold/Davis. Introduction June 23, 2025 Public Hearing and Second Reading July 28, 2025. **(to be replaced by ordinance 25-52)**

Ordinance 25-52, An Ordinance of the City Council of Homer, Alaska, Amending HCC 9.16.010 to Provide for an Increase of 0.3% Sales Tax, for a Term of Eight Years, for the Purpose of Financing the Acquisition and Construction of a Multi-Purpose Community Recreation Facility, and Submitting the Question of such Sales Tax Increase to the Qualified Voters of the City at the Regular Election to be held in the City on October 7, 2025. Aderhold/Davis. Introduction July 28, 2025 Public Hearing and Second Reading August 11, 2025. *Ordinance 25-44(A)*, An Ordinance of the City Council of Homer, Alaska, Appropriating up to \$250,000 from the Homer Accelerated Roads and Trails (HART) Trails Fund for the Development of a Trailhead and Trail Segment on the East Side of the Sterling Highway at Green Timbers in Accordance with the Diamond Creek Recreation Area Trails Plan. Aderhold. Introduction June 9, 2025 Public Hearing and Second Reading June 23, 2025 Postponed to July 28, 2025. **TBD**

Ordinance 25-44(A), An Ordinance of the City Council of Homer, Alaska, Appropriating up to \$250,000 from the Homer Accelerated Roads and Trails (HART) Trails Fund for the Development of a Trailhead and Trail Segment on the East Side of the Sterling Highway at Green Timbers in Accordance with the Diamond Creek Recreation Area Trails Plan. Aderhold. Introduction June 9, 2025 Public Hearing and Second Reading June 23, 2025 Postponed to July 28, 2025.

Ordinance 25-44(A)(S), An Ordinance of the City Council of Homer, Alaska, Appropriating up to \$250,000 from the Homer Accelerated Roads and Trails (HART) Trails Fund for the Development of a Trailhead and Trail Segment on the East Side of the Sterling Highway at Green Timbers in Accordance with the Diamond Creek Recreation Area Trails Plan. Aderhold. **TBD**

Resolution 25-069, A Resolution of the City Council of Homer, Alaska, Acknowledging a Memorandum of Agreement with the Alaska Department of Transportation and Public Facilities for the Design Phase of the Homer All Ages and Abilities Pathway, Authorizing the City Manager To Negotiate and Execute the Appropriate Documents and Committing Match Funds for the Design Phase. **TBD**

August 11, 2025 City Council Regular Meeting

Resolution 25-073, A Resolution of the City Council of Homer, Alaska, Adopting the Homer Goals of the Kenai Peninsula Walkability Action Plan. **Adopted.**

Ordinance 25-44(A)(S), An Ordinance of the City Council of Homer, Alaska, Appropriating up to \$250,000 from the Homer Accelerated Roads and Trails (HART) Trails Fund for the Development of a Trailhead and Trail Segment on the East Side of the Sterling Highway at Green Timbers in Accordance with the Diamond Creek Recreation Area Trails Plan. Aderhold. Introduction June 23, 2025, Public Hearings & Second Reading July 28 and August 11, 2025. **Adopted.**

Ordinance 25-52, An Ordinance of the City Council of Homer, Alaska, Amending HCC 9.16.010 to Provide for an Increase of 0.3% Sales Tax, for a Term of Eight Years, for the Purpose of Financing the Acquisition and Construction of a Multi-Purpose Community Recreation Facility, and Submitting the Question of such Sales Tax Increase to the Qualified Voters of the City at the Regular Election to be held in the City on October 7, 2025. Aderhold/Davis. Introduction July 28, 2025, Public Hearing and Second Reading August 11, 2025. **Failed.**

Ordinance 25-55, An Ordinance of the City Council of Homer, Alaska, Amending the FY26 Capital Budget by Appropriating Funds in the Amount of \$8,000 from the Community Recreation Center Fund for a Public Information Campaign in Connection with the Ballot Proposition to Approve a City Sales Tax Increase in the Amount of 0.3%, for a Term of Eight Years, for the Purpose of Financing the Acquisition and Construction of a Multi-Purpose Community Recreation Center. Davis/Aderhold. Introduction August 11, 2025, Public Hearing and Second Reading August 25, 2025. **Failed.**

RECOMMENDATION: Informational Only.



MEMORANDUM

Review and Recommendations on the Draft 2026-2031 Capital Improvement Plan

Item Type: Action Memorandum
Prepared For: City of Homer Park, Arts, Recreation & Culture Advisory Commission
Date: August 20, 2025
From: Jenny Carroll, Special Projects and Communications Coordinator
Through: Melissa Jacobsen, City Manager

- I. **Issue:** The purpose of this Memorandum is to present the City's draft 2026-31 CIP for review and recommendations by the Park, Arts, Recreation & Culture Advisory Commission.
- II. **Background:** The CIP is the City's six-year forecast that identifies and describes priorities for capital improvements. Capital projects are major, nonrecurring budget items (with a lower cost limit of \$50,000 for City projects) that result in a fixed asset with an anticipated life of at least three years.

The CIP contains written descriptions of City prioritized projects and is submitted to our State Legislators, and, if eligible, to our Federal Legislators and appropriate agencies so they have the information necessary to make funding decisions. The CIP also positions capital projects for potential grant funding and for consideration in the City's biennial budget process.

Projects in the CIP are organized in four sections:

- 1) Legislative Priority Projects are a short list of high-priority City of Homer projects which are selected by City Council for promotion to State representatives for capital funding assistance, as well as for priority consideration for Federal appropriations process.
- 2) Mid-range projects which may be initiated within the next six years;
- 3) Long range projects; and
- 4) A section for State and local non-profit projects that benefit the Homer community.

New projects being proposed for inclusion in the FY27 CIP are in a separate document, appended to the draft CIP. They require City Council approval before they are added to the CIP.

Creation of the draft CIP is an iterative process; it incorporates input from City staff, Commissions, Boards and the public throughout the summer months before the CIP goes to the City Council for a worksession September 8, 2025. This is PARCAC's opportunity to provide input.

III. Action Items:

- **Review the draft 2026-2031 CIP in your packet.** The draft CIP is a work in progress. Substantive updates and/or recommended changes from last year's CIP (to date) are indicated in red font.
- **Discuss and provide input on specific changes or updates you would recommend for current or new projects to PARCAC staff liaison Mike Illg.** Any new project to be recommended for the CIP should be developed with assistance from the Public Works Department and/or relevant department.
- **Be prepared to take the following actions at your August 19, 2025 meeting:**
 - 1) Pass a motion naming **three projects** the Board recommends to City Council for inclusion in the Legislative Priority section, and prioritize them #1, #2, and #3.
 - Any **City** project in the CIP is eligible.
 - As a reminder, projects selected by Council as Legislative Priorities receive priority consideration for Federal appropriation requests. The City may submit up to five projects, provided each meets the specific eligibility criteria established by federal appropriations committees. To qualify for Federal appropriations, projects must also demonstrate broad public impact, include at least conceptual designs with an established budget, and show that the City and potentially the State have already invested in or committed matching funds to support the project. Legislative Priority projects are also prioritized for submission to our State legislators to be considered for State capital funding through Designated Legislative Grants. However, due to ongoing State budget constraints, minimal discretionary capital funding is expected in the FY27 State budget.
 - 2) Additionally, the Board may choose to pass motion(s) that:
 - Support or oppose projects proposed to be added to the CIP.

- New proposed projects are included in a separate document included at the end of the draft CIP in your packet.
- The Special Projects Coordinator recommends returning the Homer All Ages & Abilities Pedestrian Pathway to the CIP for the reason listed in the CIP.
- Support or oppose projects proposed to be removed from the CIP.
 - Public Works Director Kort recommended removing the Slope Stability & Erosion Mitigation Program from the CIP for the reasons outlined in a July 21 memo attached. There has public comment from Jan Keiser, former public works director, also attached. After reviewing the Public Works Director memo and taking public comment, the Planning Commission supported removing the Slope Stability and Erosion Mitigation Program from the CIP, but asked for (1) a stand-alone Kachemak Sponge Project to see the current land acquisition project through to completion, which is funded by a NOAA grant and (2) an overall Baycrest Stormwater Management project, perhaps a State project. The Public Works Director is presently working on those project description drafts.
 - If the LAB would like to support these changes, you could make a motion to support the Planning Commission recommendations on the green infrastructure projects.
 - Two projects (Bayview Park Restoration, Phase 2 and Homer Public Library Sliding Security Gate) will be removed because they have been funded. A third project, the A-Frame Water Transmission Line Replacement, has been awarded funds and will be moved to the funded section should City Council approve the funds.
- Recommend a new project for inclusion in the CIP, accompanied by a project description.

I will share your recommendations with City Council at their September 8 CIP worksession. The CIP will remain a draft document City Council formally adopts the CIP via Resolution scheduled for their September 22, 2025 regular meeting.



EVERYTHING YOU ALWAYS WANTED TO KNOW ABOUT THE CITY OF HOMER CAPITAL IMPROVEMENT PLAN

Q: What is a CIP?

A: The CIP (or Capital Improvement Plan) identifies capital projects that are community priorities. The plan includes a description of proposed capital improvement projects ranked by priority, their benefits to the community, an estimate of project costs and progress to date (money raised, plans drawn up, etc.). An estimated timeline for completion can also be included. The CIP is a working document and is reviewed and updated annually to reflect changing community needs, City Council priorities and funding opportunities.

There are several reasons to maintain a CIP.

1) It helps focus attention on community needs; 2) It helps leverage funding if the project has been identified as a community priority in the CIP; and 3) to highlight community priorities for our state/federal legislative representatives.

NOTE: The Capital Improvement Plan is not a funding request. From the standpoint of a non-profit organization, it is a mechanism to raise awareness of a needed project and increase chances of funding from various sources, including State legislative capital funding. Nominating a project for inclusion in the CIP is **not** a request for City funding.

Q: What is a capital project?

A: Capital projects are the acquisition and/or development of a major, non-recurring asset such as land, buildings, public road/utility infrastructure and equipment with a useful life of at least three years. Designing and building a new library is a capital project. Planning and implementing an after-school reading program is not a capital project. Most of the projects in the City of Homer CIP are City projects, but some are community projects spearheaded by non-profit organizations and state or federal agencies (e.g., Alaska DOT&PF). City of Homer CIP projects must have an estimated cost of at least \$50,000. Those from non-profit organizations must have an estimated cost of at least \$25,000.

Q: Is the CIP a “wish list?”

A: Though projects can stay a long time on the CIP, it is not a wish list. Funding sources are not always readily available, and aligning City funds, partners and other funders for large capital projects takes time. The CIP is segregated into sections, City of Homer legislative priority projects, mid-range projects (that may be undertaken in the next six years) and long-range projects. This allows the CIP to be a forward-thinking plan for City projects.

Q: What is the process for developing the Capital Improvement Plan?

A: CIP development is a multi-step process that starts around May of each year and ends in September.

Step 1 involves the City’s Special Projects & Communications Coordinator developing a CIP update schedule that will be approved by the City Council in May of each year.

Step 2 is to publicize the CIP process and invite project nominations from community organizations.

Step 3 is to send a copy of the current CIP to all the City department heads and the City Manager and ask for recommendations for new projects, projects that should be deleted, and updates to existing projects.

Step 4 is to make sure that all the City advisory bodies have a chance to weigh in. They are given the opportunity to select their top Legislative priority projects. Their recommendations are passed on to the City Council. Commissions can also suggest new projects, changes to existing projects, or any other recommendations related to the CIP. Public comments on projects under consideration is welcome. Throughout this time, City staff will continuously update the draft CIP. The CIP will be labeled *DRAFT* until it is approved by City Council.

Step 5 The City Council will hold a work session to discuss the CIP and will they take public comment as advertised at regular City Council meetings. Members of the public are encouraged to attend and testify. The City Council will view the CIP as a whole and will also work to identify legislative priorities (a subset of the CIP) for special attention during the coming year.

Step 6 is to finalize the CIP as per City Council approval and make digital and bound copies. These should be ready to post on the website and for distribution in October.

Q: What are “legislative priorities”?

A: Legislative priorities are a special subset of the CIP. The full CIP might contain 50 projects that have gone through the public hearing process and are approved by the City Council. From those 50, City Council selects a “short list” of projects for the City to highlight during the upcoming legislative session. It is City policy that only City of Homer projects are promoted to the Legislative Priority list (e.g., for roads, harbor improvements, water and sewer upgrades, etc.)

Staff, lobbyists and City Council promote these projects to State and Federal legislators, Commissioners, etc. Five of the legislative priority projects are submitted to our State Legislators for prioritization among all projects submitted from our District for funding through the State’s Capital budget.

Members of the Alaska congressional delegation also invite local governments and other groups to submit Congressionally Designated Spending requests (or Appropriation requests) each year. Typically, 4-5 Legislative Priority projects that align with Federal CDS priorities and guidelines will be forwarded to our Federal legislators for consideration for CDS funding.

Q: Does the City seek grant funding for CIP projects also?

A: Yes. The City applies for grants to fund capital projects; grant programs almost always require projects be identified in a CIP or other major Plan and that the City provides local matching funds.



MEMORANDUM

Memorandum proposing Removal of Slope Stability & Erosion Mitigation Program from the City of Homer Capital Improvement Plan 2026 - 2031.

Item Type: Informational Memorandum
Prepared For: Mayor Lord, City Council and City Council Advisory Commissions
Date: July 21, 2025
From: Daniel Kort, Public Works Director
Through: Melissa Jacobsen, City Manager

Summary:

The Public Works Department is proposing the removal of Slope Stability & Erosion Mitigation Program from the City of Homer's Capital Improvement Plan for 2026 through 2031.

Discussion Topics:

The Slope Stability & Erosion Mitigation Program from previous Capital Improvement Plans was a combination of four separate but related projects. The relationship of these projects is they all aim to provide some sort of stormwater treatment at sites around the City. The status of each of these separate projects has changed over the years and each of these efforts were worked on as separate projects. For simplification, a status update and justification for removal for each of these individual projects is provided.

1. Kachemak Peatland (Sponge) Wetland Treatment System – The project was originally proposed to include stormwater treatment using conventional settling ponds, and a few constructed treatment tanks containing a Lemella Plate Clarifier to conduct sediment removal prior to the water entering a natural wetland complex for tertiary treatment. The original cost projection for this project in the NOAA grant application was for between \$2M to \$4M. This cost estimate included land acquisition as well as the design and construction of the wetland treatment system and stormwater conveyance structures.

The Conceptual Design of the wetland treatment system (including stormwater conveyance structures) was estimated to cost approximately \$10M in 2025 dollars, and the cost is expected to increase as the design is completed prior to construction. Costs to secure the property required to build infrastructure had increased beyond preliminary estimates as well. The City Council has chosen to place the stormwater treatment portion of the project "on the shelf" for the time being while continuing the efforts to purchase wetland for conservation using NOAA grant money via Resolution 24-124(S). The land being purchase with NOAA grant money cannot be used for land containing any stormwater treatment or conveyance infrastructure, therefore without the purchase of

land using City funds, there is no practical way to construct the stormwater treatment structures at this time.

2. Baycrest Storm Drain Conveyance and Treatment System – The Conceptual Design of this project uses a combination of private property and Sterling Highway ROW to install the conveyance system; stormwater retention basins; and power generating turbines. This project would be very difficult to secure necessary access to private property and State ROW for the required infrastructure. The proposed concept of generating power from this stormwater is both expensive and unorthodox use of the technology and is likely to foul due to environmental obstructions and litter. The City does not have a Stormwater Utility to pay for the operation and maintenance of this system, nor does the City employ staff with the skills of operating a power generating facility. There has not been a cost estimate to construct this project, however based off of recent projects bid, I estimate the conceptual design created could cost approximately \$5M to \$7M based off the length of pipe and proposed infrastructure in the conceptual design.

Additionally, Public Works had evaluated the proposed power generating turbines proposed for this project, that were also planned for a watermain project. We discovered that the turbines require a minimum base flow to generate power, and do not generate additional power when the turbines are spun faster. Therefore, once the turbines are spinning, they generate no additional power with additional flow. In the case of the water main project, we calculated the projected revenue from the power generated versus the cost to construct and operate and discovered that the unit did not generate any revenue, and unplanned maintenance could have meant it could have cost the City money to generate a minimal amount of power. Understanding that Homer only receives 20 to 24 inches of precipitation annually, we are fairly confident that this proposed application of turbines would result in similar economics, meaning it will not generate any revenue, but rather may cost the City money to own and operate. A theoretical example of this calculation; if the project cost \$5M to construct, and the turbines generated \$50K of power annually, it would take 100-years to break even ignoring inflation and replacement of failed infrastructure over the life of the project. To my knowledge, this project lost traction prior to my arrival of working with the City.

3. Beluga Lake Wetland Treatment System – This project included the purchase of an 8-acre parcel of commercial property at the southern end of Ben Walters Lane. The property planned for purchase is vacant and prime commercial property with approximately 600-ft of frontage on Beluga Lake. The former Public Works Director had the property appraised and was in negotiation with the property owner for the purchase of this land. The property was valued at approximately \$1M, at which point I understand that the former Public Works Director decided the purchase price was too high and the project was abandoned.

4. Beluga Slough Wetland Treatment System – This project included the design and construction of a stormwater treatment system using Lemella plates in a below ground vault to increase sediment removal from stormwater. Quite honestly, there isn't any "Green Infrastructure" or nature based treatment that was proposed with the construction of this concrete vault containing the Lemella plates. Regardless of my thoughts on that matter, the project was awarded an Alaska Department of Environmental Conservation (ADEC) grant through their Alaska Clean Water Actions (ACWA) Grant program.

The former Public Works Director had initiated the design of this treatment system, with an original project cost estimate of \$260,488 for design and construction in legislation and the ACWA Grant application. Project funding was made up of \$153,307 of ACWA Grant funding and \$107,181 of City of Homer funds. The City completed the design, and bid the construction using the combination of grant and city funding. The overall project cost (design and construction) ended up being \$592,572, exceeding the grant portion of the funding by \$439,265 which would have had to be paid by the City. The Public Works Department had requested additional funding of \$360,000 in order to award the construction project. The Ordinance 24-67 for the additional funding failed and the project was shelved for a later date or reconsideration for a more cost effective conventional design if determined necessary.

Additionally, the grant required preliminary stormwater quality data be collected pre and post-construction as a requirement of the grant. This data would be used to evaluate system performance and confirmation that the post-construction water quality improved. The pre-construction samples were very clean and similar to what you would expect post treatment water quality to be. It is likely there would be a negligible difference between pre and post-construction samples after the stormwater treatment system was brought online.

Unused grant funds were later approved for the purchase of a hydroseeder to mitigate particulate entering stormwater after routine ditch clearing maintenance operations. This device will likely have a greater overall impact to improving stormwater quality throughout the City of Homer than the originally proposed treatment system would have for the Beluga Slough.

Recommendations:

The Public Works Department recommends that the Slope Stability and Erosion Mitigation project be removed from the CIP. This isn't to say that the Slope Stability and Erosion Mitigation efforts will be discontinued within the City of Homer, but rather just these four project efforts. If the Council finds it necessary to keep the Kachemak Peatlands project open to facilitate the purchase of lands using NOAA grants, the Public Works Department takes no objection with the understanding that no HART Roads money is obligated towards stormwater treatment at this time.

City of Homer Capital Improvement Plan Project Nomination Form

Project eligibility

- A. Does the proposed project represent a major, nonrecurring expense (\$25,000 or more for non-profit organizations; \$50,000 or more for government organizations)? YES NO
- B. Will the proposed project result in a fixed asset (e.g., land, major equipment, building or other structure, road or trail) with an anticipated life of at least two years? YES NO
- C. Will the project provide broad community benefit? YES NO
-

If you were able to answer YES to all three questions, please provide the following additional information:

1. Project title (Suggested heading in CIP):

2. Project description and benefit. Describe the project in half a page or less, including specific features, stages of construction, etc. Explain how the project will benefit the Homer community.

3. Plans and progress. Describe in one or two paragraphs what has been accomplished so far (if anything). This may include feasibility study, conceptual design, final design/engineering/permitting, fundraising activity, and total funds raised to date.

4. Project cost:
 - A. TOTAL COST (including funds already secured) = \$ _____
 - B. For construction projects, break out preconstruction costs (feasibility/design/permitting):

Preconstruction costs = \$ _____ Construction costs = \$ _____

5. Timeline: Indicate when you hope to complete each phase of the project.
Please keep in mind that the CIP will not be published until the end of September. Legislative funding (if any) would not be available until July of next year (or later) for state funding and October of next year (or later) for federal funding.
 - A. For projects that consist of land or equipment purchase only, state when the purchase would be made:

 - For construction projects:
 - B. Preconstruction phase to be completed by _____.
 - C. Construction phase to be completed by _____.

6. Provide a quality digitized photo, drawing, map, or other graphic image of your project if possible.

City of Homer Capital Improvement Plan Project Nomination Form

Project eligibility

- A. Does the proposed project represent a major, nonrecurring expense (\$25,000 or more for non-profit organizations; \$50,000 or more for government organizations)? **YES** NO
- B. Will the proposed project result in a fixed asset (e.g., land, major equipment, building or other structure, road or trail) with an anticipated life of at least two years? **YES** NO
- C. Will the project provide broad community benefit? **YES** NO
-

If you were able to answer YES to all three questions, please provide the following additional information:

1. Project title (Suggested heading in CIP):

Skate Board Park

2. Project description and benefit. Describe the project in half a page or less, including specific features, stages of construction, etc. Explain how the project will benefit the Homer community.

Project Goal: Design/build a new Skateboard Park.

Public Benefit and Support: Homer's existing skateboard park has been enjoyed by Homer's skateboarding community, including skateboarding enthusiasts of all ages, for many years. The park serves as a key component of Homer's outdoor recreation opportunities in the summer. Sadly, the existing facilities have been at the end of their useful lives for some time, held together by hope, band aids, and strategic welding. A new skateboard park would provide modern features and a safer environment for beginners, novices, and even daredevil skateboarders. A new park would not only serve the local community of recreational skateboarders, it would also attract skateboarding tourists and even competitors looking for interesting and challenging opportunities to participate in skateboard tournaments. Upgraded facilities would trigger, not only recreational benefits, but economic development benefits, much as the sport of pickleball has done for Homer.

The project has been endorsed by the Homer Parks, Arts, Recreation and Culture Advisory Commission ("PARCAC") and is supported by the informal Homer Skateboard Club, an ad hoc group of skateboard enthusiasts.

Project Development Strategy:

3. Plans and progress. Describe in one or two paragraphs what has been accomplished so far (if anything). This may include feasibility study, conceptual design, final design/engineering/permitting, fundraising activity, and total funds raised to date.

The Homer Skateboard Club has prepared a conceptual plan for a new skateboard park, borrowing ideas from the new Talkeetna Skateboard Park. This Plan has been endorsed by PARCAC.

The concept calls for the new Skateboard Park to be built on city-owned land.

4. Project cost:

A. TOTAL COST – Phase I (including funds already secured) = \$550,000

B. For construction projects, break out preconstruction costs (feasibility/design/permitting):

Preconstruction costs = \$50,000

Construction costs = \$500,000

5. Timeline: Indicate when you hope to complete each phase of the project.

Please keep in mind that the CIP will not be published until the end of September. Legislative funding (if any) would not be available until July of next year (or later) for state funding and October of next year (or later) for federal funding.

A. For projects that consist of land or equipment purchase only, state when the purchase would be made:

For construction projects:

B. Preconstruction phase to be completed by April 30, 2026.

C. Construction phase to be completed by December 2026.

6. Provide a quality digitized photo, drawing, map, or other graphic image of your project if possible.

City of Homer Capital Improvement Plan Project Nomination Form

Project eligibility

- A. Does the proposed project represent a major, nonrecurring expense (\$25,000 or more for non-profit organizations; \$50,000 or more for government organizations)? **YES** NO
- B. Will the proposed project result in a fixed asset (e.g., land, major equipment, building or other structure, road or trail) with an anticipated life of at least two years? **YES** NO
- C. Will the project provide broad community benefit? **YES** NO
-

If you were able to answer YES to all three questions, please provide the following additional information:

1. Project title (Suggested heading in CIP):

Diamond Creek Trailhead & Trail System – Phase I

2. Project description and benefit. Describe the project in half a page or less, including specific features, stages of construction, etc. Explain how the project will benefit the Homer community.

Project Goals: The Diamond Creek Recreation Area (“DCRA”) is a popular and well-used trail recreation area, mostly in winter when the ground is frozen and snow-covered. In summer, the land is soft, wet, and cannot support trail traffic. The Diamond Creek Recreation Area Multi-Resource Management Plan, adopted by the city of Homer in 2013, outlines two Recreational Objectives. Recreational Objective No. 1 is to improve controlled non-motorized recreational access to the DCRA. Recreational Objective No. 2 is to construct summer-use trails within the DCRA, specifically trail loops and connectors in the upland “forest islands” and across the Sterling Highway via an underpass, hardened to create sustainable use by non-motorized recreationists. These goals will be accomplished in a 4-Phase Program that will (1) build a trailhead/parking area off the Sterling Highway to improve access to the DCRA’s trail system; (2) harden existing trails in the DCRA to support summer use; and (3) build a new connection between the nearest existing trail in the DCRA and an existing trail in the Diamond Creek State Recreation Area (“DCSRA”). The subject Project is Phase I of this 4-Phase Program.

Phase II, III and IV are described in the Other Organizations section of the CIP, sponsored by the Homer Trails Alliance.

Public Benefit and Support: These trail facilities have been on the wish lists for local trail enthusiasts for years, including members of the Homer Trails Alliance, Homer Cycling Club, Kachemak Nordic Ski Club, and TRAILS, the Independent Living Center’s Inclusive Recreation Program. The subject Project has been endorsed by the Homer Parks, Arts, Recreation & Culture Citizens Advisory Commission (“PARCAC”). The trails would be used by hikers and mountain bicyclists in the summer and cross-country skiers in the winter, attracting both locals and visitors. A portion of the trail would be designed per ADA specifications for recreational trails.

Project Development Strategy: The 4-Phase Program achieves full connectivity in an affordable manner by upgrading existing trail routes and existing trailheads and connecting them with new trail routes and new trailheads to allow sustainable, year-round enjoyment. The Phases are:

Phase I – Design/construction of the trailhead/parking area on city-owned land off the Sterling Highway, KPB Parcel #173-02-201. The proposed site is located on the north side of the Sterling Highway across the highway from the Green Timbers Road and has been informally designated the Green Timbers Trailhead. In this phase, a connection to the DCSRA, including an underpass under the Sterling Highway, would also be designed/constructed, in collaboration with the Alaska DOT/PF’s Sterling Highway Project, as well as a connection to an existing trail in the Baycrest Ski Trail network.

Phase II – Design/construction of a trailhead/parking area on land owned by the Kenai Peninsula Borough off the Sterling Highway, KPB Parcel 171-16-007, informally known as the KPB Trailhead. This project would also design/build a trail connecting this new KPB Trailhead with the Green Timbers Trailhead by upgrading a section of existing trail in the Baycrest Ski Trail System to support summertime use and building a section of new trail.

Phase III – Design/construction of trail connections to complete a trail loop and connect it to the existing Rogers Loop Trailhead.

Phase IV – Design/construction of trail connections to complete another trail loop and connect it to the Homestead Trail System.

The subject Project focuses on Phase I. Phase II, III and IV are described in the Other Organizations section of the CIP, sponsored by the Homer Trails Alliance.

3. Plans and progress. Describe in one or two paragraphs what has been accomplished so far (if anything). This may include feasibility study, conceptual design, final design/engineering/permitting, fundraising activity, and total funds raised to date.

There have been multiple conversations over the years about various elements of the proposed Project, by government officials and non-governmental entities.

The city of Homer appropriated \$25,000 from its HART Trails fund and used these funds to commission engineering studies to lay out conceptual routes for a fully connected trail network in the subject area. This Project Nomination Form is based on that work. Further, city officials and staff have been meeting with representatives of the AK DOT/PF to discuss how portions of the Project, specifically the underpass, could be integrated into the AK DOT/PF's plans to renovate the Sterling Highway.

The city of Homer has also had conversations with representatives of the Kenai Peninsula Borough about the possibility of using Borough-owned land for the KPB Trailhead.

The city of Homer appropriated \$250,000 from its HART Trails Fund FY26/27 Capital Budget for the Diamond Creek Trail System. This money has not yet been programmed.

The Homer Trails Alliance ("HTA") used its own funds to finance a portion of the engineering work to identify routes for trail connectors that fall outside of city-owned property. Also, the HTA received a grant from the Rasmussen Foundation to upgrade portions of the trail to support summertime use. The HTA is willing and able to apply for additional grants to help fund portions of the Project. The HTA has also expressed willingness to assist with maintenance of the trail system, once it is built, similar to the way the Kachemak Nordic Ski Club helps maintains local ski routes.

Further,

4. Project cost:

A. TOTAL COST – Phase I (including funds already secured) = \$550,000

B. For construction projects, break out preconstruction costs (feasibility/design/permitting):

Preconstruction costs = \$50,000

Construction costs = \$500,000

5. Timeline: Indicate when you hope to complete each phase of the project.

Please keep in mind that the CIP will not be published until the end of September. Legislative funding (if any) would not be available until July of next year (or later) for state funding and October of next year (or later) for federal funding.

A. For projects that consist of land or equipment purchase only, state when the purchase would be made:

For construction projects:

B. Preconstruction phase to be completed by April 30, 2026.

C. Construction phase to be completed by November 2026.

6. Provide a quality digitized photo, drawing, map, or other graphic image of your project if possible.

MEMORANDUM

To: Homer Planning Commission
From: Janette Keiser, PE
Date: August 4, 2025
Re: Homer Proposed CIP – Slope Stability and Erosion Mitigation Program

Public Works Director Dan Kort is recommending removal of the project entitled “*Slope Stability and Erosion Mitigation Program*” from the City of Homer’s Capital Improvement Plan – 2026- 2031. My first reaction was to bristle at this, but then, I read Director Kort’s analysis. I found that I could not disagree with his reasoning. The purpose of this Memorandum is to provide additional context for the projects listed in the subject program because it could affect future decisions that come before this body.

The Slope Stability and Erosion Mitigation Program included four separate projects that would support storm water management and in the case of two of the projects, slope stability and erosion. Director Kort exercised due diligence in exploring each of the proposed projects and in each case, came to an impasse, which caused him to conclude the projects were unfeasible at this time. I agree with his conclusions.

1. Kachemak Sponge. This project involved conveying storm water from East End Road, Kachemak Drive and some adjacent properties into the wetlands south of the Homer Boatyard. Natural vegetation and bacteria in the wetlands would treat the water, mitigating silt and even hydrocarbons. The water would be absorbed in the natural peat and wetlands, like a sponge, slowly releasing it. This slow release would reduce water pressure and thus, erosion in various areas. Our strategy was to buy land to serve as the sponge and install storm water works to direct as much water into the sponge as possible. The Kachemak Bay National Estuarine Research Reserve (“KBNERR”) successfully sought grant funding to buy some of the land. It is my understanding that these transactions are still on-going, and they should be encouraged.

We always knew the cost of the storm water works would be expensive and funding would be hard to come by. I figured the most promising funding source would be the Alaska State Revolving Loan Fund, which does fund stormwater works. Both the ADEC and NOAA were excited about this project, seeing it as a model for cold weather nature-based storm water management. Sadly, the current design is cost prohibitive at this time and hoping for federal/state funding is a fantasy. But, if all we did was buy the land, it would be helpful for the environment. Director Kort said he would not object to keeping the project on the books, if it would facilitate the land purchase or set the stage for future funding. I recommend we do this by refreshing the project’s narrative and including it in the CIP.

2. **Beluga Lake Property.** Director Kort's correct. I did want to buy the big lot adjacent to Ben Walters Park, to protect the wetlands from development by adding it to the park. At that time, funding was available from various sources for ideas like this. The lakeside portion of this property is one of the last large pieces of undeveloped, privately-owned wetlands in the commercial core, which makes it potentially valuable for stormwater management in the City's big picture. Sadly, the price for the whole lot was prohibitively expensive. However, just before I left the City, I had some conversation with the owner, through local relator, Angie Newby, about him donating the wetland portion of his lot to the City. This was before Director Kort's time, but I recall discussing the idea with Julie Engebretsen. It's a wise investment to maintain wetlands as buffers for flooding triggered by storm water and other drainage. This project does not need to be in the CIP.
3. **Baycrest Project.** This project was inspired by then Mayor Castner to relieve a drainage problem in the Baycrest Subdivision. Storm water from the north side of the Sterling Highway is crossing the highway in a DOT-owned culvert and making its way through the east side of the Baycrest Subdivision, causing erosion and slope stability problems for various property owners. The City Council appropriated funding to explore a storm drain solution and we tried our best to engineer something that would work. We found there was no easy answer; each of the solutions we developed created worse conditions someplace else downstream. The only solution that did not do this was the one that captured storm water before it crossed the Sterling Highway and conveyed it all the way to Bidarki Creek where it could be dropped into a storm water manhole. That is the idea of the Baycrest Project. We thought the hydropower idea would be an added bonus, but we admittedly did not explore it thoroughly.

The whole project was very expensive and involved working in the AK DOT ROW, which would be problematic for a variety of reasons. We did not pursue it beyond the very conceptual phase. The fact is that while City-residents suffer the symptoms, the symptoms are caused by an AK DOT problem. Recognizing this, at its last meeting, the City Council passed a resolution directed at the AK DOT, asking that the AK DOT address this drainage issue as part of the upcoming Sterling Highway project. If the DOT does this, this problem will be alleviated. I have no confidence that they will, but that is a political game. I concur with Director Kort that the City should not expend any more of its resources to address this and it does not need to be in the CIP.

4. **Bunnell Ave/Beluga Slough storm drain.** This project was conceived because one day, I observed muddy water flowing in the ditch off the end of Bunnell Avenue. When I traced it back, I found it came from the Main Street Storm drain system, which the

Public Works crew had been flushing. I did not like the idea of this dirty water carrying silt and who knew what else, into the wetlands. The idea was to install a concrete stormwater intake structure at the end of Bunnell Avenue that would allow silt to settle out. Geoff Coble developed a design, and the City Council authorized us to purchase the component parts. The idea was to install the components using the Public Works crew, which they were more than capable of doing.

The green infrastructure element is the restoration of the wetlands. My dream was that someday, the gravel breakwater would be replaced with an elevated walkway thereby allowing water to flow freely and restore the wetlands. The Forest Service strongly supported this idea. I would like to see the City develop a green infrastructure project that makes sense for this area to restore the wetland and put it in the CIP at a later date.



September XX, 2025

To The Honorable Mayor and Homer City Council:

I am pleased to present the City of Homer 2026 through 2031 Capital Improvement Plan. The CIP provides information on capital projects identified as priorities for the Homer community. Descriptions of City projects include cost and schedule information and a designation of Legislative Priority projects for FY2027. Projects to be undertaken by the State of Alaska and other non-City organizations are included in the CIP in separate sections. An overview of the financial assumptions can be found in the Appendix.

The projects included in the City of Homer's 2026-2031 CIP were compiled with input from the public, area-wide agencies, and City staff, as well as various advisory commissions serving the City of Homer.

The City updates the CIP annually to ensure the long-range capital improvement planning stays current, as well as to determine annual legislative priorities and assist with budget development. Your assistance in the effort is much appreciated.

Sincerely,

Melissa Jacobsen
City Manager



Table of Contents

Letter from City Manager	i
Table of Contents	ii
Funded Projects from 2025-2030 Capital Improvement Plan	iv
Introduction: The Capital Improvement Program	v
Integration of the CIP with Comprehensive Plan Goals.	vi
PART 1 LEGISLATIVE REQUEST FY2025	1
Homer Harbor Expansion	2
Multi-Use Community Center	3
Homer Harbor Critical Float System Replacements: Systems 1 & 4	4
Slope Stability & Erosion Mitigation Program	5
City Hall ADA Accessibility Project	6
Karen Hornaday Park Improvements	7
Homer Spit Coastal Erosion Mitigation	8
A-Frame Water Transmission Line.	9
New Public Works Facility	10
PART 2 MID-RANGE PROJECTS	11
ADA Transition Projects	12
Nick Dudiak Fishing Lagoon Accessible Ramp & Fishing Platform	13
Removing Parking & Pavement Accessibility Barriers at City Facilities.. . . .	14
Parks, Art, Recreation and Culture Projects.	15
Bayview Park Restoration, Phase 2	16
Jack Gist Park Improvements.. . . .	17
Reber Trail Extension to Soundview Avenue.. . . .	18
Port and Harbor	19
Barge Mooring & Large Vessel Haul Out Repair Facility	20
Harbor Ramp 8 Public Restroom	21
Homer Harbor Dredging	22
Homer Harbor Security Cameras at Ramp 1-5 Access Points	23
Homer Spit Campground Renovation	24
Ice Plant Upgrade	25
Large Vessel Sling Lift, Phase 1	26
Steel Grid Repair/Replacement	27



Table of Contents

Wood Grid Replacement.....	28
Public Safety.....	29
Fire Hall Expansion, Phase 1.....	30
Fire Department Fleet Management	31
Public Works.....	32
Baycrest Overlook Public Restroom Rebuild.....	33
Comprehensive Drainage Management Plan.....	34
Engineering Study for Homer Public Library Remodel	35
Homer All Ages & Abilities Pathway.....	36
Heath Street Rehabilitation	37
HERC Hazardous Material Clean Up and Revitalization	38
Homer Airport Terminal Improvements	39
Homer Public Library Siding Replacement	40
Homer Waste Water Treatment Plant Improvements.....	41
Parking Lot Drainage Solutions for Homer Public Library.....	42
Water Storage Distribution Improvements, Phase 3	43
Water Treatment Plant Drying Beds	44
Wayfinding & Streetscape Plan Implementation	45
State Projects.....	46
East Hill Bike Lane.....	47
Kachemak Drive Non-Motorized Pathway.....	48
Main Street Rehabilitation	49
Sterling Highway Milepost 172: Drainage Improvements	50
Traffic Control at the Corner of Sterling Highway & Soundview Avenue	51
West Hill Bike Lane.....	52
Projects Submitted by Other Organizations	53
Homer Hockey Association:	
Kevin Bell Arena Parking Lot Lighting & Flooring Replacement	54
Homer Senior Citizens: Alzheimer's Unit	55
Homer Trails Alliance: Diamond Creek Recreation Area Trails.....	56
Kachemak Nordic Ski Club: Rogers Loop Trailhead Storage Shed.....	57
Kachemak Shellfish Growers Association: CHUMPSY & Otter Predation Assistance	58



Table of Contents

Kachemak Ski Club: Homer Rope Tow Access & Equipment Upgrades	59
Pratt Museum: Roof System Replacement Project	60
South Peninsula Hospital: Childcare Facility for Hospital Employees	61
South Peninsula Hospital: Expansion of Medical Services	62
PART 3 LONG-RANGE PROJECTS	63
Local Roads	64
Parks and Recreation	65
Port & Harbor	66
Utilities	67
State Projects	68
APPENDICES	69
CIP Development Schedule	70
Resolution 24-100	71
City of Homer Financing Assumptions	72

Funded Projects from the 2025-2030 Capital Improvement Plan

The City of Homer is pleased to report that funding for the following projects has been secured:

- Bayview Park Restoration, Phase 2 will be completed in-house with \$20,000 City of Homer funds.
- Homer Public Library Sliding Security Gate - \$30,000 appropriated in the City's FY2026 Capital Budget.



Introduction to the Capital Improvement Program

A capital improvement plan (CIP) is a long-term guide for capital project expenditures. A capital expenditure is a major, nonrecurring budget item that results in a fixed asset with an anticipated life of at least three years.

A carefully prepared capital improvement plan has many uses. It can assist a community to:

- Anticipate community needs in advance, before needs become critical.
- Rank capital improvement needs in order to ensure the most important projects are given consideration for funding before less critical projects.
- Provide a written description and justification for projects submitted for State funding so the legislature, governor and appropriate agencies have the information necessary to make decisions about funding capital projects.
- Provide the basis for funding capital projects as part of the biennial budget process.
- Understand the impact of new capital projects on maintenance and operating costs so expenses are budgeted in advance to help avoid projects that the community cannot afford.

The City of Homer CIP contains a list of capital projects the community envisions for the future, identifies ways projects will benefit the community, highlights Legislative priority projects and presents a general target construction schedule. Projects proposed by non-profit organizations and other non-City groups may be included in the CIP with City Council approval, however, such inclusion does not indicate that the City intends to provide funding for the project. Projects eligible for inclusion in the City of Homer CIP have a lower cost limit of \$50,000 for City projects and \$25,000 for those proposed by non-profit organizations.

The number of years over which capital projects are scheduled is called the capital programming period. The City of Homer's capital programming period coincides with the State's, which is a six year period. The six-year plan is updated annually in accordance with a planning schedule approved by City Council at the onset of the CIP process. A copy of the City of Homer CIP schedule appears in the appendix of this document.

Though the CIP is a product of the City Council, administration provides important technical support and ideas with suggestions from the public incorporated through the entire process. The City of Homer solicits input from City advisory bodies, advertises for public input during the CIP public hearings, and invites the public to participate throughout the entire planning process, including the nomination and adoption stages of the process.

Determining project priorities: City of Homer CIP projects are assigned a priority level of 1, 2, or 3, with 1 being the highest priority. To determine priority, City Council considers such questions as:

- Will the project correct a problem that poses a clear danger to human health and safety?
- Is the project specifically recommended in other City of Homer long-range plans?
- Will the project significantly enhance City revenues or prevent significant financial loss?
- Is the project widely supported within the community?
- Is the project strongly supported by one or more City advisory bodies?
- Has the project already been partially funded?
- Is it likely that the project will be funded only if it is identified as being of highest priority?
- Has the project been in the CIP for a long time?

Once the overall CIP list is finalized, the City Council names a subset of projects that will be the focus of efforts to obtain state and/or federal funding in the coming year. The overall CIP and the legislative priority list are approved by resolution.



Integration of the CIP With Comprehensive Plan Goals

This page will be updated after adoption of the new Comprehensive Plan.

Each project listed in the CIP document has been evaluated for consistency with the City's goals as outlined in the Comprehensive Plan. The following goals were taken into account in project evaluation:

Land Use: Guide the amount and location of Homer's growth to increase the supply and diversity of housing, protect important environmental resources and community character, reduce sprawl by encouraging infill, make efficient use of infrastructure, support a healthy local economy, and help reduce global impacts including limiting greenhouse gas emissions.

Transportation: Address future transportation needs while considering land use, economics and aesthetics, and increasing community connectivity for vehicles, pedestrians and cyclists.

Public Service & Facilities: Provide public services and facilities that meet current needs while planning for the future. Develop strategies to work with community partners that provide beneficial community services outside of the scope of City government.

Parks, Recreation & Culture: Encourage a wide range of health-promoting recreation services and facilities, provide ready access to open space, parks, and recreation, and take pride in supporting the arts.

Economic Vitality: Promote strength and continued growth of Homer's economic industries including marine trades, commercial fishing, tourism, education, arts, and culture. Support development of a variety of well-defined commercial/business districts for a range of commercial purposes. Preserve quality of life while supporting the creation of more year-round living wage jobs.

Energy: Promote energy conservation, wise use of environmental resources, and development of renewable energy through the actions of local government as well as the private sector.

Homer Spit: Manage the land and other resources of the Spit to accommodate its natural processes, while allowing fishing, tourism, other marine-related development, and open space/recreational uses.

Town Center: Create a community focal point to provide for business development, instill a greater sense of pride in the downtown area, enhance mobility for all forms of transportation, and contribute to a higher quality of life.



City of Homer Capital Improvement Plan • 2026 – 2031

List will be updated according to City Council final selections and

Legislative Request FY2027

after their adoption of the CIP in September 2025.

City of Homer FY2027 State & Federal Legislative Priorities approved by Homer City Council Resolution 25-XXX

1. Homer Harbor Expansion
2. Multi-Use Community Center
3. Homer Harbor Critical Float System Replacement:
Float Systems 4 & 1
4. Slope Stability & Erosion Mitigation Program
5. City Hall ADA Accessibility Project
6. Karen Hornaday Park Improvements
7. Homer Spit Coastal Erosion Mitigation
8. A-Frame Water Transmission Line Replacement
9. New Public Works Building

FY 2027 - DRAFT Document



1. Homer Harbor Expansion

Project Description & Benefit: This project proposes to expand Homer Harbor by constructing a new harbor basin for large vessels to the north of Homer's existing Port and Harbor. The expanded harbor will correct navigational safety hazards posed by overcrowding in Homer's current small boat harbor, meet moorage demands of the marine transportation sector on which 130 non-road connected Alaskan communities, and regional industries, the Port of Alaska and internationally significant commercial fisheries depend. Its design could have the potential to advance national security interests and be a backup port for marine transportation and cargo handling which is critical for Alaska's resilience and recovery in the event a major disaster disables the Port of Alaska. Centrally located in the Gulf of Alaska, Homer's Port is the region's only ice-free gateway to Cook Inlet, the port of refuge for large vessels transiting the Gulf of Alaska, Cook Inlet, and Kennedy Entrance.

Currently, large vessels are moored at System 4 and System 5 transient floats in Homer's Small Boat Harbor. Due to shortage of moorage space, large vessels are rafted two or three or more abreast constricting passage lanes, creating navigational hazards and overstressing the harbor float system.

- The new facility fills unmet moorage, maintenance and repair needs which currently send Alaska's marine industrial, cargo and commercial fishing fleet to ports in the Lower 48 due to their overall size, draft, and simply lack of moorage space. Data show that 63% of Alaska homeported vessels spent the months of August through December 2022 in non-Alaska ports in the lower 48. This comes with significant operating costs for Alaska's marine industrial fleet. Port expansion will capture economic activity that Alaska loses annually; it will also sustain and create good, living wage Alaskan jobs through the marine trades.
- The project will also help meet long-term Federal goals, including the US Coast Guard's mooring needs for Search & Rescue and Arctic Security missions, tranquil moorage for the USCG Aspen, turn-around moorage for the new fast response cutters and other assets deployed for Arctic security. It also supports national objectives of seafood competitiveness, energy independence, and given its proximity to Nikiski, the Alaska LNG project.

Plans & Progress: In 2019, the City of Homer and USACE completed a preliminary feasibility study utilizing a Section 22 Planning Assistance to States grant. Positive results led the USACE to initiate work on a new 3-year General Investigation (GI) in March 2023. The GI is anticipated to reach a tentatively selected plan in June 2025, a draft feasibility report for public comment in September 2025 and conclude with a Chief's Report and recommendation early in 2027. If recommended, Phase 2, Project Engineering and Design (PED), would commence in FY28. Costs for the PED phase are shared 90% Federal, 10% Local Sponsors. Securing state and local match funding is critical for leveraging Federal funds.

Phase I: GI Study: \$4,154,093.00 (funding complete)

Phase II: Project Engineering & Design: \$6,000,000

FY26 State Request for Phase 2: \$ 300,000

FY26 Federal Request for Phase 2: \$5,400,000

City of Homer Match: \$ 300,000

Funding Secured	Federal Share	City Share	State Match
	\$ 2,077,047	\$1,038,524	\$1,038,523
FY23-24 Confirmed	\$ 1,249,999	\$1,038,524	\$ 750,000
FY25	\$ 827,048	-	\$ 288,523



Port expansion adds a new basin with its own entrance adjacent to the existing Small Boat Harbor to relieve large vessel congestion in the small boat harbor, shown below.





2. Multi-Use Community Recreation Center

FY 2027 - DRAFT Document

Project Description & Benefit: This project secures land, designs and constructs a multi-use community center to meet Southern Kenai Peninsula community needs, while contributing to the overall economic development and quality of life of Homer's residents, businesses and visitors. This project is the first phase in designing and constructing a multi-use community center to adequately serve the social, recreation, cultural, and educational needs of the Homer community. The community has long prioritized the need for indoor municipal recreational and community space, especially considering the ongoing challenges of operating in the local schools and the city's aging and defunct HERC facility. A 2015 City of Homer Parks, Art, Recreation and Culture (PARC) Needs Assessment validated this perceived need; a 2022 follow up assessment showed increased public demand for recreation space, reflecting the community's high priority on access to public recreation and educational spaces. Public input describes the community center as a comprehensive multi-generational facility that offers something for people of all ages and identified a general-purpose gymnasium, multi-purpose space for instructional programs, safe walking/running, dedicated space for youth and possible emergency shelter as priority features. Preliminary data and feedback from the 2024 Comprehensive Plan rewrite shows continued strong community support for an indoor recreation facility.

Plans & Progress: In 2018, a City Council appointed Task Force completed several months of study and recommended building a new community facility, rather than trying to rehabilitate the HERC facility. The retrofits needed to bring the building into modern code compliance could exceed the cost of new construction. In September 2021, the City expended \$49,964 to update the recreation needs analysis, engage the public and produce concept designs and construction cost estimates for different options for a new multi-use recreation center on the HERC campus.

A 2023 hazmat report of the HERC campus, which had been the preferred site, determined this location will not be possible in the near term due high cost of mitigation. In 2024, the City Council appropriated a total of \$1,300,000 towards the project. **In 2025, a working group, including two Council Champions, reviewed and identified potential locations for a community center, preferably centrally located, but no location has been finalized.** While no facility design or footprint has been developed to date, these are significant steps to move the initiative forward. Subsequent steps will include finalizing scope and design, cost estimates and completing a feasibility study for ongoing operations and maintenance.

Estimated Total Project Cost: \$16,050,000

FY25 Phase 1: Land Purchase \$ 700,000

FY26 Phase 2: Final Design & Feasibility Study \$350,000

FY27 Phase 3: Construction \$15,000,000

FY26 State Request:

Phase 1 & 2 \$ 400,000

FY26 Federal Request:

Phase 3 \$14,350,000

City of Homer Match: \$ 1,300,000

Funding Secured	FY24/25
City of Homer funds	\$ 400,000
Gas Line Fund	\$ 900,000



The City of Unalaska's Community Center is an example of a centrally located, widely used recreation facility by both residents and visitors.



3. Homer Harbor Critical Float System Replacement: Float Systems 4 & 1

Project Description & Benefit: The project replaces Systems 1 and 4 and their adjoining gangways in Homer Harbor. These float systems were constructed by the State of Alaska in 1964 for the original Homer Harbor and transferred to City ownership in 1999 with extensive deferred maintenance. Despite having completed major upgrades to harbor assets in the past ten years and increased maintenance expenditures, the City has been unable to keep pace with infrastructure deterioration.

Systems 1 and 4 range in age from 37 to 60 years old, are in serious to critical condition, do not meet current design or safety standards and will soon face load restrictions or decommissioning. Demand for moorage and regional freight movement has increased such that the harbor already cannot meet demand. Together, these float systems moor 503 of the 920 vessels the Harbor accommodates and they offer 4,100 linear feet of transient moorage for vessels up to 75 feet long. Decommissioning will displace vessels and create hardship for regional transportation networks that depend on safe and efficient operations at the Harbor, including the Seldovia Fast Ferry Kachemak Explorer for passenger and freight loading, 130 remote worksites and non-road connected communities throughout southcentral and western Alaska, and the commercial fishing fleet.

Major maintenance (added flotation to the main and stall floats and replacing timber piles and decking) has allowed continued use of these floats. But at over thirty years beyond their engineered life expectancy, the systems exhibit critical loss of structural capacity. A 2022 Harbor Condition Survey rated the systems in serious and critical condition, non-compliant with design, fire protection and safety standards and will soon face load restrictions or decommissioning.

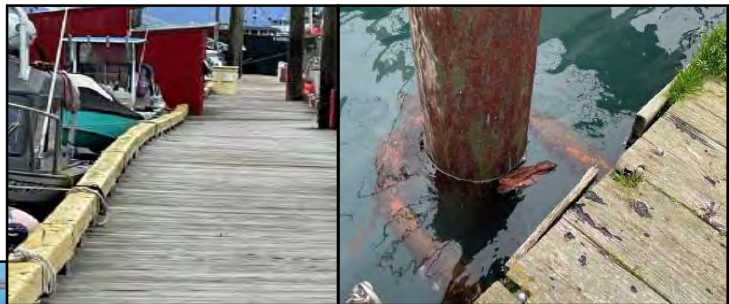
Demand for moorage and regional freight movement has increased such that the harbor already cannot meet system demands. The loss of floats in Systems 1 and 4 will have a ripple effect, slow the entire harbor operations, and contribute to delayed shipments. Closing even one finger on a float, either for additional repairs or permanently, means that affected vessels have to raft, hot-berth, move to transient moorage, or most likely be displaced entirely from the facility. System-wide closure would affect 336 vessels for System 1 and 167 vessels for System 4, over half of the harbor's stall capacity. Decommissioning an entire system would increase harbor congestion and operational delays related to rafting and tidal draft constraints, cost the harbor and vessel operators time and fuel. A sudden float system failure that causes vessel damage is a life/safety concern and would likely cost a fisherman an entire season, disrupt freight delivery schedules, and block access to critical floats and services.

Plans & Progress: R&M Engineers provided a harbor-wide condition report and cost estimate for float replacement in 2023 that identified critical float replacement needs including upgrades to shore power, fire suppression and potable water systems. Alaska Harbors Consulting provided 30% design drawings and a cost estimate in 2024. Phase 1 is design, engineering and permitting to bring the project to construction ready status. **Phase 2 is System 4 construction and Phase 3 is System 1 construction.**

Partial Phase 1 funding has been secured through a 2024 Denali Commission grant. **A \$250,000 FY26 Community Project Funding request by Congressman Begich to the Transportation, Housing and Urban Development Appropriations Subcommittee for the design phase was included in the House Appropriations Bill.** The City is seeking a FY25 Port Infrastructure Development Program grant **for System 4 construction subsidy funds** and proposes to utilize a revenue bond and/or TIFIA loan funds to meet match .

Total Project Cost:	\$60,240,898
Phase 1: Design & Permitting	\$ 2,205,000
FY24 Denali Commission grant:	\$ 1,100,000 (confirmed)
FY26 Federal Request:	\$ 250,000 (pending)

Phase 2 System 4 Construction: \$16,501,706



The warped Headwalk Float AAA (above) shows a failure in the structural members below the deck and lack of flotation. Low freeboard results in accelerated corrosion of the submerged pile collar and decaying connections to the float. Decking has rot and hardware connections protrude through it.

Systems 4 and 1 moor 503 vessels, over half the harbor's capacity.



4. Slope Stability & Erosion Mitigation Program

Project Description & Benefit: Instability of steep slopes and coastal bluffs present hazards to Homer's natural and built environment. Their instability is due in large part to the movement of both surface water and ground water. When these waters combine, they saturate the soil, which makes the soil particles "slippery" and creates potential for slumping. The annual freeze-thaw cycle exacerbates erosional loss. An increase of impervious surfaces due to commercial and residential development also contributes to coastal erosion. When storm water quickly exits developed areas, discharge events down gradient result in extreme coastal erosion and loss of beach sediments critical for maintaining coastal stability.

Erosional impacts include homes that have slid down steep slopes, forcing abandonment. Roads have failed, and with them water, sewer, electrical and natural gas distribution line infrastructure, requiring emergency repairs to restore access. This is a problem affecting both the City and the State of Alaska, as multiple state highways have been, and are continuing to be, adversely affected by slope instability – including the Sterling Highway, Homer's only road connection to the rest of mainland Alaska and Kachemak Drive, a tsunami evacuation route and connector road for commuter, recreational and commercial traffic to Homer's regionally active Port and Harbor facility on the Homer Spit.

After studying how these waters collectively affect steep slopes and coastline erosion, the City developed innovative mitigation plans for four projects. Together they form the City's Green Infrastructure Slope Stability & Erosion Mitigation Program. They include (1) Kachemak Sponge Wetland Treatment System, a nature-based infrastructure project that protects private and public properties as well as state-owned Kachemak Drive by acquiring using natural wetlands to collect and treat storm water. The project mitigates flooding and coastal erosion as well as recharges valuable peatlands. (2) Baycrest Storm Drain Conveyance and Treatment System protects the state-owned Sterling Highway and downhill properties by mitigating flooding and coastal erosion. This project features a micro-hydro energy generating unit. (3) Beluga Lake and (4) Beluga Slough Wetland Treatment Systems also use natural wetlands to manage storm water, protecting two state-owned roads, Main Street and Sterling Highway. They also protect the water quality of Beluga Slough and Beluga Lake, important habitat for shorebirds. Together, these projects will protect and recharge valuable peatlands, protect water quality, conserve critical moose and waterfowl habitat and mitigate coastal erosion for the long term.



The Slope Stability Program utilizes nature based and low impact development techniques to mitigate erosional damage and protect water quality.

Plans & Progress: The Kachemak Sponge and Beluga Slough systems are Phase 1 and are underway. The City completed preliminary water quality, flow rate and peatland data collection. Design work and initial appraisals of peatlands to be acquired for the Kachemak Sponge project is complete. Federal IIJA funds from a FY23 NOAA grant will assist with peatlands acquisition. The City also secured a FY23-25 Alaska Clean Water Act grant for the Beluga Slough Storm Water Treatment System.

Project Cost (Phase 1): \$5,028,791

Kachemak Drive Wetland Treatment System: \$4,388,791

Beluga Slough & Bishops Beach Stormwater Treatment Systems: \$ 690,000

Total Phase 1 Cost: \$5,028,791

Funding Secured	Prior to July '23	FY24/25
COH Data Collect	\$ 180,000	-
Kachemak Sponge		
NOAA IIJA grant	\$1,171,410	-
COH HART Road	-	\$418,000

The Public Works Director recommends removal of the Slope Stability & Erosion Mitigation Program from the CIP. The project covers a wide array of separate project efforts and each project status has changed. A memo from Public Works Director Kort provides a status update and reasons for recommending this project be removed from the CIP. Public comment and recommendation from Planning Commission is also included for backup.



5. City Hall ADA Accessibility Project

Project Description & Benefit: The Americans with Disabilities Act (ADA) Title II mandates that all State and local governments provide accessible and usable facilities for people with disabilities, embodying the fundamental principles of equal opportunity, integration, and inclusion. However, Homer City Hall—a cornerstone of civic engagement and an Early Voting Site for early and absentee-in-person voting for municipal, borough and State elections—currently falls short of these standards.

This project addresses critical equity and justice concerns by ensuring equal access to civic participation for all citizens, regardless of their physical abilities. By regrading the parking lot cross slope and addressing access barriers at both entrances, this project tackles Priority Level 1 issues identified in the City's Facilities Transition Plan and reflects the City's commitment to accessibility.

The urgency of this project is further underscored by a 2024 US Department of Justice letter to the State of Alaska citing ADA compliance violations in various State of Alaska voting locations. The letter specifically noted problems with the steep grade of Homer City Hall's handicap parking spaces and the absence of an accessible path from public sidewalks to the polling entry doors. By addressing these concerns, this project helps the City and State comply with legal requirements and affirms our shared dedication to equitable voting access.

City Hall back entrance improvements to be completed include:

- regrade parking lot to correct accessible parking spaces and exterior ramp cross slopes that exceed 1:48 ratio;
- design and construct accessible pathway from public sidewalk on Pioneer Avenue to back entrance door;
- install ADA push button, automatic swing door. that complies with ADA opening force ranges. An automatic, push button door is a universal solution for people of all ages and abilities.

Front entrance improvements to be completed include:

- reconfigure ramp cross slope to meet standard;
- replace grate to meet opening requirement;
- reconfigure curb ramp to provide a level, 36" long landing
- alter/replace handrails to meet ramp width requirements.

Plans & Progress: In 2022, the City completed the design for a new City Hall front entrance ramp to bring it into ADA compliance. An FY25 Capital Budget adjustment allocated funds to help address ramp reconfiguration. Public Works has developed a conceptual design and cost estimate of back entrance improvements.

The project will proceed in phases, beginning with the first two.

Phase I: Design & Construct Back Ramp/Door	\$ 100,000
Phase II: Parking lot regrade	\$ 400,000
Phase III: Construct front entrance ramp	\$ 200,000
Phase IV: Design & Construct Pathway	\$ 600,000

Total Project Cost: \$1,300,000

Schedule: Phase I and II: 2026-2027

Phase I & II Project Cost: \$500,000

Ramp and entrance design: \$ 47,400 (COH funds)

Construction: \$ 120,600 (COH funds)

FY26 State Capital Request: \$ 332,000 (Construction)



The cross slope of the accessible parking spaces at the lower entrance to City Hall exceeds the maximum allowed.

Funding Secured	Prior to July '23	FY24/25
Design ADA City Hall Ramp		
General Fund CARMA	\$14,400	
General Fund		\$23,000



6. Karen Hornaday Park Improvements

Project Description & Benefit: Karen Hornaday Park is Homer's largest, most diverse public recreation space. At 40 acres in size, it offers a wide variety of activities, including camping, ballfields, playgrounds and two public pavilions with picnic facilities, barbecue grills and campfire circles. For those looking to relax, the park offers benches to view Kachemak Bay and the surrounding mountains and glaciers, as well as access to a more intimate, natural area along Woodard Creek on the park's eastern boundary. The park hosts an estimated 92,000 user days each year. This includes Little League participants and spectators, plus general use park visitors and attendees of small gatherings and large events that reserved the park annually, such as reunions, the Scottish Highland Games festival and concerts.

An updated Karen Hornaday Park Master Plan is near final draft stage after park evaluation, community input and first draft review. The site plan will include two high priority park needs to improve safety and provide accessibility: entry road and parking improvements and a public restroom facility. Presently, much of the parking requires crossing the entry road to get to the play area, which can be dangerous for children.

An ADA accessible public restroom facility remains a high priority. The former restroom facility was demolished in 2020 due to safety concerns. The physical structure had deteriorated over the years. Its advanced age combined with high use resulted in worn interior finishes, making cleaning difficult; aged bathroom fixtures and dilapidated stalls made it nearly impossible for City maintenance personnel to provide a safe, sanitary facility. **The City acquired an ADA mobile restroom trailer to address immediate accessibility need, but the need for a sustainable long-term solution remains.**

Plans & Progress: Over the years, grant support and significant volunteer efforts have assisted the City in developing Homer's premier public park. The first step of the current project is to finalize the new Park Master Plan, followed by restroom construction.

Project Cost (Phase 1): \$1,080,000

Master Plan Update: \$ 50,000 (Completed)

Water Sewer Utility Extension: \$ 530,000 (Completed)

Restroom Construction: \$ 500,000

FY26 State Capital Request: \$500,000
(City of Homer Match: \$580,000)



Permanent public restroom facilities and safe, accessible pedestrian access for the many park users are lacking in the park.



Funding Secured	FY24	FY25
Park Master Plan		
COH General CARMA	\$ 50,000	-
Public Restrooms		
COH HAWSP	\$ 10,000	\$150,000
COH GF Balance	\$ 20,000	\$350,000



7. Homer Spit Coastal Erosion Mitigation

Project Description and Benefit: The City of Homer requests that the Alaska Department of Transportation and Public Facilities (AK DOT&PF) work cooperatively with the Army Corps of Engineers (USACE) and the City of Homer to design, permit and implement a long term erosion mitigation and maintenance plan to mitigate and stabilize erosion conditions on the Homer Spit. This project is needed to protect critical infrastructure on the Homer Spit.

The Homer Spit is a 4.5 mile long glacial spit composed of sands and gravel that offers recreational, commercial, industrial, and residential use. It is a valuable asset to the City of Homer and the State of Alaska due to its economic and recreational opportunities. It is also a unique, coastal feature and a valuable environmental resource with its extensive bird and marine habitat. While typically in equilibrium, the Spit is undergoing a long period of erosion. Changes in storm patterns the past few years with milder summers and fewer strong southeasterly events may be affecting the sediment movement along the spit, allowing greater erosion and less seasonal accretion. The USACE addressed erosion concerns in 1992 with 1,000 feet of rock revetment in 1992, which they extended an additional 3,700 feet in 1998. This caused beach lowering adjacent to and further south of the rock revetment along the Spit. In that area, AK DOT&PF armored the highway in two emergency revetment projects. These areas are subject to periodic overtopping, damaging the asphalt on the roadway shoulder. **A November 17, 2024 storm surge event eroded a significant amount of public and private property, damaged businesses, undercut the revetment wall and collapsed one lane of Alaska Highway 1, prompting a local disaster declaration, a State of Alaska Declaration of Disaster Emergency and over \$3M State investment in temporary repairs and protection measures.**

Erosional damage on the Spit is threatening the State-owned Sterling Highway that connects the Kenai Peninsula mainland to organizations like the United States Coast Guard and Alaska Marine Highway. The road is also an essential tsunami evacuation route. If left unchecked, erosion will ultimately diminish the role the Homer Spit plays as a regional commerce center and transportation hub for Southcentral Alaska, including the commercial fishing industry, the marine trades, supply shipping and tourism. Erosion is actively undermining public recreational facilities and private commercial enterprises to the point that properties have been abandoned or condemned. A coordinated, long-term maintenance plan is needed.

Plans & Progress: The USACE conducted two extensive studies with detailed erosion management information: a 2017 Dredged Material Management Guidance Manual and a 1989 investigation report, Storm Damage Reduction Final Interim Feasibility Report with Engineering Design and Environmental Assessment. In 2019 HDR analyzed environmental conditions and sediment transport and produced a Coastal Erosion Assessment of the Sterling Highway Termini on the Homer Spit which also considered concept alternatives (perched bench, groin field, offshore breakwater, sediment management and rock revetment) for improving resilience of existing roadway embankment. The study strongly encouraged coupling any mitigation measures with a beach renourishment program and sediment management plan for long term viability of the Spit. HDR provided an updated preliminary technical memo in 2025 outlining concepts for various erosion mitigation alternatives to protect the Sterling Highway ROW for a longer-term design duration.

The project would be best served by engaging the USACE, either through re-authorization of work under the Homer Spit Revetment General Investigation (GI), or approval for an independent investigation under Section 203 of the Water & Resources Development Act. **The State of Alaska Department of Transportation programmed \$1.5M for erosion mitigation planning and design in the 2024-27 Statewide Transportation Improvement Program. The City is working with ADOT&PF to utilize these funds, potentially to provide information for use in a GI.** Another objective is to seek USACE authorization to implement the Dredged Material Management Plan.

USACE General Investigation: \$3,000,000

FY252-6 State Planning Funds: \$1,500,000 (confirmed)

FY27 Federal Request \$ 500,000

City of Homer Match \$ 300,000

8

Contact Mayor Rachel Lord or Melissa Jacono, City Manager at 235-8121



Example of recent active erosion on the Homer Spit.



8. A-Frame Water Transmission Line Replacement

Project Description and Benefit: This project rectifies a vulnerability in the City's drinking water infrastructure to safeguard our clean drinking water supply in support of the life, health and safety of Homer's 5,531 residents. It replaces approximately 1,200 linear feet of existing 8-inch cast iron drinking water supply line in Homer's water utility system. The 58-year old section of line is brittle, corroded and on a 52-degree slope, making it extremely susceptible to catastrophic damage due to slope failure or seismic activity. To avoid waterline failure, the project completes design, and replaces the existing 8-inch line with 10-inch high density polyethylene transmission water main. Design engineering includes anchors to anchor the line to subsurface material to prevent movement in the event of slope subsidence.

This supply line is the only line transmitting water to the west side of Homer. It serves hundreds of customers, South Peninsula Hospital, several health clinics Homer's medical district, the senior center, its assisted living and independent senior housing, and two schools. Loss of this line, our sole drinking water link, would have a devastating impact to public health and safety, and fire protection capability. Even short-term water supply disruption (due to severe, but repairable seismic damage to the supply line) has serious consequences. The expedient availability of machinery and spare parts for timely repair during a major disaster and the need to provide emergency drinking water are additional challenges/concerns.

Replacing the cast iron pipe with HPDE pipe protects this critical water utility infrastructure from seismic damage, and significantly mitigates potential life, health and public safety losses associated with a major earthquake event. Loss of supply in the area's sole drinking water supply line would have a devastating impact on overall public health and safety, fire protection capability and the economy. To mitigate the likelihood of a catastrophic break that would disrupt water supply or smaller ruptures that could compromise water quality, the obsolete cast iron pipe will be replaced with earthquake resilient High Density Polyethylene pipe.

The water main is critical infrastructure that assures the life, health and safety of Homer's 5,522 residents and additional residents in surrounding unincorporated areas who rely on the water system for delivery of residential and commercial potable water and fire protection services. Demand for water distribution approximately doubles during the summer months (June to August), compared to the height of winter (December and January) due to the influx of seasonal residents and a burgeoning tourism industry.

Plans & Progress: Replacing this water line has been on the Utility Department's Capital Improvement Program for several years. A conceptual cost estimate has been completed and will proceed in two phases, design and construction. The project is on the Alaska Department of Environmental Conservation's Intended Use Plan for a State Revolving Loan with 100% principal forgiveness. A \$973,686 FY26 Community Project Funding request by Congressman Begich to the House Interior and Environment appropriations subcommittee was included in the House Appropriations Bill. The project has also been added to Alaska's Clean Drinking Water Revolving Loan Fund for \$1,331,882 with 100% principal forgiveness.

Total Project Cost: \$1,298,491

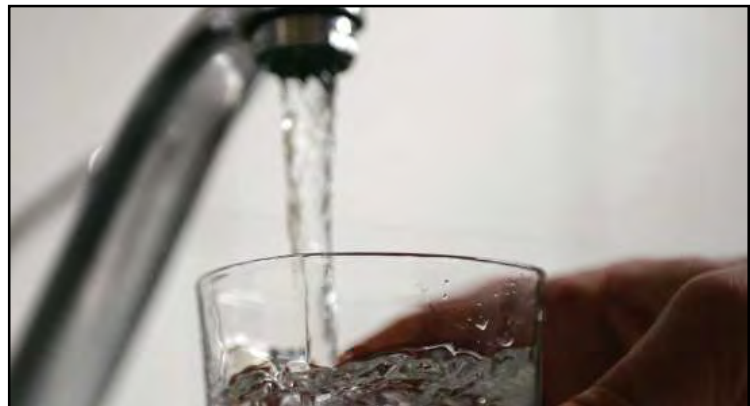
Design: \$ 250,000

Construction: \$1,048,491

FY26: Federal Appropriation Pending: \$973,868

City of Homer Match: \$324,623

This project will likely move to the funded section, pending City Council approval of an award of State Revolving Loan Funds from the Department of Environmental Conservation for final design and construction with 100%



Replacing the water transmission line is critical for the life, health and safety of residents who rely on the system for delivery of residential and commercial potable water.



9. New Public Works Facility Campus

Project Description & Benefit: The Public Works Department, located at the bottom of Heath Street, has outgrown its facilities. The current mechanic shops are too small to accommodate the city's large equipment and are out of space to house any new machinery. Due to lack of space the building maintenance shop was relocated to a derelict building off site will soon need a new location. Additionally, Homer's new Tsunami Inundation Map shows the potential risk of a 30' high wave to move through the Public Works complex. Public Works and associated heavy equipment are critical infrastructure for response and recovery activities before, during and after a disaster.

To help evaluate the risks to Public Works of personal injury and property damage from a tsunami and recommend possible mitigation options, Homer City Council appointed a Public Works Campus Task Force in 2020. The Task Force confirmed risks to the public works campus and additionally identified that the facility is suffering from obsolescence due to growth and technological changes over time. After evaluating different mitigation strategies (including creating tsunami resistant seawalls or perimeter mounds and constructing tsunami resistant buildings in same location), the Task Force advised relocating the mission critical portions of the Public Works campus (administration, building maintenance, City fueling station, rolling stock, piping, culverts, mechanics shop, motor pool shop and other essential equipment and materials) to a new location to mitigate loss and damage during a tsunami event and to provide for long-term sustainability.

A needs assessment estimated that the new facility would require a 4.6 acre site and ideally be compatible with adjacent land uses. In 2023, the City purchased an 8.63 acre parcel in the East End Mixed use Zone District. The campus will be designed and sized to provide for current and future administrative, customer support and city facilities maintenance personnel, including road, building, water, sewer, and motor pool; and equipment/materials storage

The existing Public Works site could be converted into public summer use open space (adjacent to the animal shelter, Beluga Slough, and conservation land) and provide space for environmentally sensitive snow storage in the winter.

Plans & Progress: This project is envisioned to proceed through three phases, beginning with property acquisition, which was completed in 2023. The second phase is design and cost estimating, which is necessary to understand actual funding needs. The third phase is completing finalizing design and permitting, and construction.

Phase 2 Total Project Cost: \$978,500

Schedule: 2027

2023: Property Acquisition \$ 600,000 (completed)

2027 Conceptual Design \$ 150,000

2028: Facility Design \$ 828,500

FY27 State Request: \$ 828,500

City of Homer 15% match: \$ 150,000



The City of Homer Public Works department's equipment and fleet and personnel have outgrown the current facility, which is also located in a tsunami inundation zone.

Funding Secured	FY24	FY25
Property Acquisition		
COH Land Reserves	\$ 600,000	-



Mid-Range Projects

Part 2: Mid-Range Projects

• ADA Transition Projects	12
• Parks and Recreation	15
• Port and Harbor	19
• Public Safety	29
• Public Works	32
• State of Alaska Projects	45
• Projects by Other Organizations	52

FY 2027 - DRAFT Document



ADA Transition Projects

- **Nick Dudiak Fishing Lagoon Accessible Ramp & Fishing Platform12**
- **Removing Parking & Pavement Accessibility Barriers at City Facilities13**

FY 2027 - DRAFT Document



Nick Dudiak Fishing Lagoon Accessible Ramp & Fishing Platform

Project Description & Benefit: The Nick Dudiak Fishing Lagoon located on the Homer Spit is a man-made marine basin that the Alaska Department of Fish and Game annually stocks with king and silver salmon smolts to provide an easily accessible recreational sport fishing opportunity. This road accessible, shore based salmon fishing site attracts a wide array of sport anglers. When salmon return to the terminal fishery from May through September, over 250 anglers line the bank at any one time.

Due to its popularity, the City of Homer enlarged the lagoon to five acres (twice its original size) in 1994, and in 1999 added accessibility features (handicapped parking and a series of ramps and landings inside the fishing lagoon) to expand recreational sport fishing opportunities to anglers with mobility challenges. The City also maintains fish cleaning tables, restroom facilities, a small picnic area and adjacent campground to serve fishermen's needs.

The existing twenty-year old ADA platform is subject to damage from tidal action, gravel build-up and ice scouring. Over the years, despite annual maintenance, it has succumbed to these forces and no longer serves its purpose of providing ADA access to the fishing waters. Parts of it have detached from the main body and are a safety hazard. A new access ramp and fishing platform, designed and located to resist these forces, is needed to restore accessibility to the Fishing Lagoon, improve the fishing experience, and if possible, reduce maintenance.

Once a final design and Fishing Hole location is determined, Phase 2 of the project will be to make improvements necessary to connect the ramp to uplands amenities such as accessible parking spaces, restrooms, the Fishing Hole campground and fish cleaning tables.

Plans & Progress: The City has been working in concert with Alaska Department of Fish and Game to design and seek funding to replace the ramp. In 2022, the City and State prepared conceptual design options for consideration. Initially, the preferred option is for floating access (similar to a dock) that provides over-water fishing opportunities. The floats will allow the dock to move up and down during tidal swings to provide ADA access to fishing for the entire tidal fluctuation. A gangway to the dock would be affixed to a fixed pier above the high water level. The floating portion of the dock and the gangway would be designed to be removable to avoid seasonal ice damage and to perform maintenance as necessary.

Total Project Cost: \$ 1,019,813

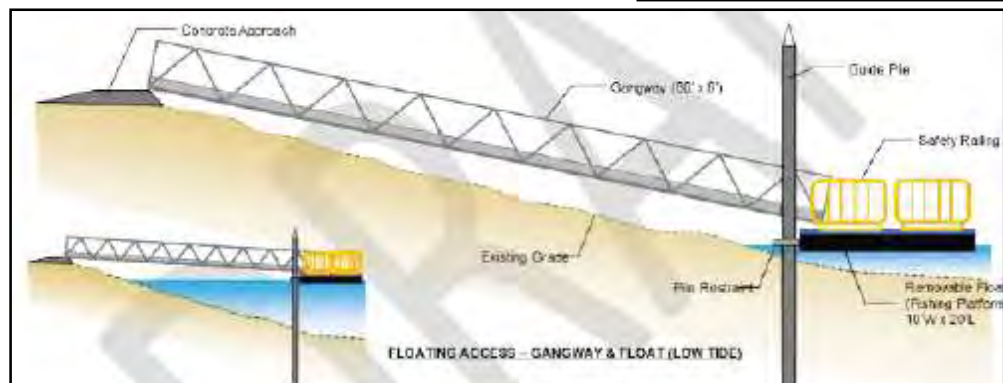
Concept Design \$ 18,813 (Completed 2022)

Final Design \$ 91,000

Construction \$ 910,000

Schedule: Final Design 2027
Construction 2029

Priority Level: 2



A concept design of a removable gangway and floating fishing platform to restore ADA angler access to the Nick Dudiak Fishing Lagoon.

FY 2027 - DRAFT Document



Removing Parking and Pavement Accessibility Barriers at City Facilities

Project Description & Benefit: Under Title II of the Americans with Disabilities Act (ADA), all State and local governments must be accessible to, and usable by, people with disabilities. The basic principles of the ADA are equal opportunity, integration, and inclusion. From 2017-2019, the City of Homer ADA Compliance Committee and City Staff evaluated City Facilities to identify accessibility barriers. The results were compiled into the City's Transition Plan, in accordance with Title II of the ADA regulations. This project corrects parking and pavement barriers (ADA Priority Level 1 issues) at City facilities to aid the entire community in accessing and participating in programs, services or activities provided by the City of Homer.

ADA regulations standardize the size and number of marked accessible parking spaces in a lot and appropriate signage placed such that it cannot be obscured by a vehicle parked in the space. Accessibility standards also require firm, stable and slip resistant surfaces. Many City of Homer facilities do not meet these standards.

This project will correct the following parking barriers at City facilities:

- Regrade exterior ramp cross slopes that exceed 1:48 ratio at the Fire Hall, Homer Public Library, and the Public Works building;
- Firm ground surface through compaction or paving and even surface levels at Load and Launch Ramp staging area
- cross slopes that exceed 1:48 ratio on paved lots.

Plans & Progress: City staff assisted the ADA Advisory Board during the self-evaluation process and together developed solutions and remedies that were included in the Transition Plan. City Council approved the Transition Plan in Resolution 19-024. This project is expected to proceed incrementally. In 2021, accessible vehicle and van parking spaces were paved at Harbor Ramps 3, 4 and 5, and at public restrooms and compliant signage and pavement markings were completed.

Total Project Cost: \$385,600

Phase 1: Harbor Accessible Parking, completed \$49,100

Phase 2: Facility Parking Lot Cross Slopes & Surface Levels: \$336,500

Schedule: 2026

Priority Level: 1



While inaccessibility issues in these Port & Harbor parking spaces have been remedied, it provides an example of spaces needing to be paved with an even path of travel.



Parks, Art, Recreation & Culture

- **Bayview Park Restoration.....16**
- **Jack Gist Park Improvements17**
- **Reber Trail Extension to Soundview Avenue18**

FY 2027 - DRAFT Document



Bayview Park Restoration, Phase 2

Project Description & Benefit: Bayview Park is a neighborhood park at the top of Main Street in the heart of Homer intended to serve preschool age children and their families. The park, the only park in Homer dedicated to serve preschool age children, has been largely undeveloped since its formation.

This project transforms Bayview Park into an inviting, safe and accessible destination for young families to provide improved recreational opportunities for all in our community. Project scope includes two phases. Phase 1 of the project was completed in fall 2025 and included:

- finalizing the park's site plan and specifications after gathering community input;
- paving Bayview Park parking area and providing ADA parking and accessible park pathways;
- installing inclusive playground equipment, natural playground features and rubber tile safety surfacing under the playground equipment.

Phase 2 replaces the rickety white picket fence with a more durable, low-maintenance fence that provides a level of safety for young children playing near busy roads. Due to the wood's deterioration, public works staff cannot repair some parts of the fence.

Plans & Progress: In 2022, the City installed an ADA accessible sidewalk to the park from Main Street as part of the new Main Street Sidewalk project. The sidewalk design replaced the existing open ditch on the east side of Bayview Park with a closed storm drain system to create a space where a parking lot and access into the park can be built.

The City worked with a landscape architect to develop a park plan and dedicated 2023 Healthy and Equitable Communities grant funds from the Alaska Department of Health and Social Services to assist with park improvements. A donation by the Kachemak Bay Rotary Club also helped procure new playground equipment and an accessible picnic table was donated by Sprout Family Services.

Total Project Cost: \$190,000

Phase 1: \$139,330 (Funding complete 2023)

Phase 2: Replace perimeter fence. \$50,670

Schedule: 2026

Priority Level: 1



Bayview Park, dedicated to serve pre-school age children and their families is undeveloped. A more practical chain length fence will also be needed to keep young children out of roads and ditches.

The final phase of this project (fencing) will be completed in-house with an FY26 capital budget allocation.

Funding Secured	Prior to July '23	FY24	FY26
Design & install features			
KBay Rotary	\$ 12,000	-	
HEC Round 2 Grant	\$ 74,916	-	
Drainage/Parking			
COH HART Roads	-	\$ 32,000	
Accessible Pathways			
COH HART Trails	-	\$ 20,314	
Fence Replacement			\$20,000



Jack Gist Park Improvements

Project Description & Benefit: Jack Gist Park was founded in 1998 on 12.4 acres of land donated to the City of Homer by a private landowner. Park development took place on top of a retired landfill that was capped. As originally envisioned by the Jack Gist Recreational Park Association, this parcel has been developed primarily for soft ball fields. It also features a disc golf course. Changes in usage patterns, deferred maintenance, and adjacent residential development have highlighted the need for various improvements within the Park. The need for these improvements and the impacts of deferred maintenance will only continue to grow as the residential density increases in the neighborhood around the park.

The park hosts numerous softball tournaments annually, and disc golfers. Improvements for the health and safety of park users includes a public restroom facility, irrigation for field turf maintenance and remediation of drainage issues that have led to poor quality athletic turf. Drainage improvements are also needed address persistent standing water in ditches and in low spots in the parking lots, bleacher areas and the ball field access. Development of drainage routes will encourage groundwater (which is expected to be amplified by residential development adjacent to the park) into existing drainage routes to the east and west of the park and through culvert crossings.

The parking lot for the park was improved and expanded in the summer of 2024, allowing for substantially more parking, delineated parking spots and improved drainage. Utilities were brought into the park to serve a temporary trailer-style ADA bathroom with the intention of replacing this bathroom with a future brick and mortar bathroom in the future.

Plans & Progress: Phase 1 has been completed via capital funds approved in the City's FY23 and FY24-25 budget. Drainage work, expanded parking (for 70 vehicles), and electrical service extension to the mobile restroom site and adjacent light pole were completed in 2024 and 2025. Water and sewer have been installed to the site of a temporary trailer restroom and a future public restroom. Constructing a permanent public restroom facility is Phase 2 of the plan. Hose bibs are planned to be located adjacent to the new bathroom will provide irrigation for the fields via surface hoses during dry spells and to assist in turf maintenance activities.

Project Cost: \$840,000

Phase 1: \$240,000 (completed)

Phase 2: Restroom cost estimate: \$600,000

Schedule: 2023-2028

Priority Level: 1



One of the softball fields at Jack Gist Park.

Funding Secured	Prior to July '23	FY24/25
Utility Extension		
COH HAWSP	\$ 42,500	-
General Fund Fund Balance		\$ 57,000
Drainage/Parking		
COH General Fund	-	\$ 95,000
Site Prep	-	
COH General Fund		\$ 22,500

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Reber Trail Extension to Soundview Avenue

Project Description and Benefit: The Reber Trail, completed in 2009, is a .38 mile trail connecting the west end of Fairview Avenue to Reber Road off West Hill through a series of switchbacks. This project extends the trail by 750-800 feet by creating a route from the base of Reber Trail on Fairview, along a ridge and down to Soundview Avenue.

Securing the legal easements necessary preserves access to non-motorized travel opportunities. Completion of this project will improve non-motorized transportation options for residents on the west side of Homer. The extension provides more direct trail connectivity to walkers and hikers from the Soundview, Shelley Avenue and West Homer Elementary area, avoiding a detour to either West Hill Road or Mullikin Street. It also allows residents in the vicinity of Reber Road on West Hill (Alpine Way, Wythe Way, Miller, Highland Drive, Bell Avenue and above) to more easily access Soundview Avenue and West Homer Elementary School via a beautiful nature trail, rather using the much more circuitous and hazardous route down West Hill Road.

Plans & Progress: The trail is envisioned to be designed as a Level 1 (Backcountry) to Level 3 (Semi-improved) trail, as described in the City's Trail Manual Design Criteria - an informal trail with natural surfaces. Development would progress in two phases. Phase one requires easement acquisition, survey and trail design. Phase 2 is construction.

Total Project Cost: \$310,000

Phase 1: Easement acquisition, survey and design: \$60,000

Phase 2: Construction: \$250,000

Schedule: 2026 - 2028

Priority Level: 3



Map of potential corridor for trail extension. Please note: map is only for illustrative purposes as no design work has been done.



Port and Harbor

- Large Vessel Haul Out Repair Facility 20
- Harbor Ramp 8 Public Restroom 21
- Homer Harbor Dredging 22
- Homer Harbor Security Cameras:
Ramp 1-5 Access Points 23
- Homer Spit Campground Renovation 24
- Ice Plant Upgrades 25
- Large Vessel Sling Lift, Phase 1..... 26
- Steel Grid Repair..... 27
- Wood Grid Replacement 28



Large Vessel Haul Out Repair Facility

Project Description & Benefit: This project constructs safe moorage and an associated uplands haul out repair facility for large shallow draft vessels. This improvement supports the marine transportation needs of central and western Alaska. Because of the lack of facilities, these vessels currently have to travel elsewhere to perform annually required maintenance and repairs, which could otherwise be completed here in Homer. The new facility benefits the needs of the growing regional fleet of large vessels, the local marine trades businesses and the regional economy.

The mooring facility, proposed along the beach front of Lot TR-1-A (between the Nick Dudiak Fishing Lagoon and Freight Dock Road on the west side of the harbor) will stage barges in the tidal zone with the bow end pulled tight to the beach for accessing a haul out ramp. A dead-man anchoring system will be provided for winching vessels up the ramp above the high tide line for maintenance and minor repairs. Upland improvements will include six work sites with water, electrical pedestals, lighting, and security fencing and cameras. This site has accommodated approximately six to eight vessels (depending on size) with ample workspace; it will offer large vessels the ability to complete their required annual maintenance at the uplands repair facility while wintering over.

Completing repairs locally gives the marine trades sector greater opportunity to expand services, support a steady labor force and provide higher quality services more competitively. Availability of local repair services also delivers performance benefits to vessels operating in Alaska waters, saving significant time, fuel and other operating expense.

Plans & Progress: Project development is being carried out in phases. Phase 1, initiated in 2014, consisted of forming a Large Vessel Haul Out Task Force to assist with site selection and completion of Best Management Practices, vessel owner use agreements, and vendor use agreements. Staff additionally completed a Stormwater Pollution Prevention Plan (SWPPP) with the Alaska Department of Environmental Conservation for a portion of lot TR-1-A. Since completing these basic requirements, the haul out area has become a popular repair site option for some of our large vessel owners. This further justifies additional investments to improve our ability to serve these customers and bring more of these customers to Homer. Phase 2 completed design and permitting utilizing \$255,000 in State Legislative Grant funds and \$42,626 in additional City of Homer funds. The project is shovel-ready and the design is bid-ready. Phase 3 will complete construction project construction.

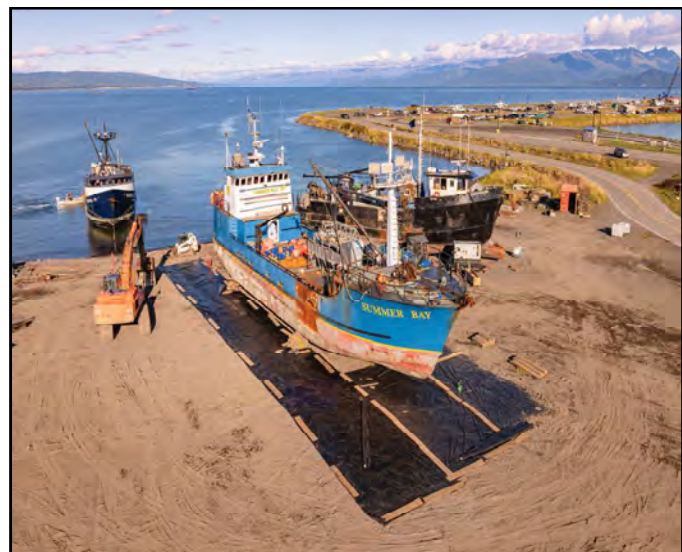
Total Project Cost: \$5,297,626

2019: Phase 2 Engineering/Permitting/Geotechnical/Design: \$297,626 (Design completed June 2020).

2025: Phase 3 Construction: \$5,000,000 (Project is shovel ready.)

Schedule: 2027

Priority Level: 2



Three vessels hauled out for repairs on Homer Spit Lot TR 1 A.



Harbor Ramp 8 Public Restroom

Project Description & Benefit: Ramp 8 serves System 5, the large vessel mooring system. Previously, restroom facilities for Ramp 8 consisted of an outhouse. This outdated restroom brought many complaints to the Harbormaster's office. Sanitary restroom facilities are expected in modern, competitive harbors along with potable water and adequate shore power. The Ramp 8 outhouse was removed in 2015. A new public restroom in this location is needed to serve the crew members of large vessels when they come to port.

Plans & Progress: Design costs for this project would be minimal as the City has standard public restroom plans engineered that can be easily modified for this location.

Total Project Cost: \$412,000

Schedule: 2028

Priority Level: 3



Ramp 8 sees heavy use from crews of large vessels moored in System 5. Since this outhouse was removed in 2015, crews either use a porta potty provided by the Port & Harbor, or walk 1.5 blocks to use the nearest restroom facility.

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Homer Harbor Dredging

Project Description and Benefit: Due to sediment infiltration, Homer's small boat harbor is in need of dredging to restore design depth. The US Corps of Engineers is authorized as part of their mission to maintain the navigable channel from the harbor entrance all the way to the load and launch ramp. However, all the rest of the harbor is a local responsibility.

The dredged materials can be used to renourish beaches on the west side of the Homer Spit, where erosional damage is actively undermining the State-owned Sterling Highway. Recreational properties and commercial properties are impacted to the point that properties have been abandoned or condemned. Beach renourishing will follow the US Corps of Engineers Dredged Material Management Plan approved for the Homer Spit.

Plans & Progress: A multi-beam survey of the harbor basin was completed by a certified Marine surveyor to ascertain the quantities of dredged material that would need to be removed to get the basin back to the original depths.

Phase 2 will create a request for proposals to solicit bids for dredging the harbor, **once the material calculations have been completed.** Depending on the results of the calculations and bids, the City may need to prioritize efforts to focus on specific areas of concern first.

Total Project Cost: \$980,000 (estimate only)

Phase 1: \$25,000 (Complete)

Phase 2: Dredging: \$955,000

Schedule: 2023-24

Priority Level: 1



A dredge in Homer Harbor during the US Corps of Engineer's annual dredging of the harbor's navigable channel.

Funding Secured	Prior to July '23	FY24/25
Harbor Survey	-	\$ 25,000

FY 2027 - DRAFT Document



Homer Harbor Security Cameras: Ramp 1-5 Access Points

FY 2027 - DRAFT Document

Project Description and Benefit: This project will expand and enhance coverage capabilities of Homer Harbor's current security camera system. The Port and Harbor Advisory Commission and staff have a long term goal of installing cameras on the west side of the basin at the access points to Ramp 1 through Ramp 5. Expanding the current camera system allows harbor officers to keep a monitored eye on these heavily trafficked areas.

Over the years, security cameras have come to play an ever increasing role in assisting staff to monitor harbor and vessel security because of the advantages they provide. Cameras allow harbor officers to monitor situations while completing other tasks in the field or while on the radio helping other customers. Quick review of a recorded incident will also help an officer verify vessel status while not having to actually dedicate time to watching and waiting on scene. Cameras also provided an element of safety by allowing responding officers to view a situation before arrival; they can also be used to assist in monitoring evacuations from the Spit in the case of a tsunami or other natural disaster without putting officers in harms way.

Plans & Progress: City Council approved a capital budget request of \$20,000 for the design of the Ramp 1 through 5 camera system in the 2022/2023 budget and a cost estimate obtained. An FY25 mid-biennium budget adjustment made an additional \$25,000 available to install camera poles in-house. The final phase is to intall the camera equipment to the poles.

Total Project Cost: \$364,000

System Design: \$5,728 (completed)

Poles and electrical service: \$25,000 (completed)

Equipment Purchase and Installation: \$353,272

Schedule: 2025-2026

Priority Level: 1

Schedule: 2025-2027

Priority Level: 1



Security cameras, pictured here, center, allow harbor officers to gain situational awareness before responding to an event, to verify details of recorded events and monitor progress of evacuations or check on inundation during tsunami events.

Funding Secured	Prior to July '23	FY24/25
Camera System Design		
Port Reserves	\$5,728	
Pole Installation		
Port Reserves		\$25,000



Homer Spit ~~Mariner~~ Park Campground Renovations

Project Description and Benefit: The Mariner Park ~~and Fishing Hole~~ campground is situated at the base of the Homer Spit. Its waterfront location and close proximity to recreational activities and visitor support services make the campground very popular with both Alaskans and out-of-state visitors. It is heavily used in the summer and shoulder seasons.

The campground is pot holed and poor drainage pools rainwater. Sites are poorly marked and without tent pads. Several lack picnic tables and fire rings.

The concept of this renovation project is to greatly improve the camping experience, make it easier to maintain the campgrounds to a higher standard of cleanliness and safety and keep them attractive and competitive. Renovations possibilities include installing hand wash stations, grading campgrounds, delineating and labeling campsites, developing tent pads in tent camping areas and installing picnic tables and fire rings at sites that currently lack these basic amenities.

Visitors have a choice of where to stay on the Kenai Peninsula. We anticipate these upgrades will attract new visitors and motivate existing visitors to extend their stays or come back. Summer and shoulder season visitors contribute significantly to Homer's overall economy through their patronage of local businesses throughout their stay.

Plans and Progress: This project is in the conceptual design phase and is presently being developed by Port and Harbor staff in collaboration with the Park, Art, Recreation and Culture Advisory Commission.

Total Project Cost: \$50,000

Schedule: 2027-2028

Priority Level: 3

Funding Secured	Prior to July '23	FY24/25
Picnic Tables & Campground Items		
Port & Harbor Reserves		\$18,000



Mariner Campground at the base of the Homer Spit.



Ice Plant Upgrade

Project Description & Benefit: The ice plant at the Fish Dock is a critical component of the overall Port and Harbor enterprise, providing more than 3,500 tons of flake ice each year to preserve the quality of more than 20 million pounds of salmon, halibut, sablefish, and pacific cod landed at the Port of Homer.

Although the Ice Plant has been maintained very well since being built in 1983, efficiencies may be gained by upgrading certain key components of the plant with current technologies, which may include replacing the refrigeration compressors, integrating natural gas into the process, and/or upgrading the control systems to increase the plant's efficiency and reduce operating costs.

Plans & Progress: This project is proceeding in a three-phase approach. Phase 1 consisted of contracting with Coffman Engineering from Anchorage to assess Homer's Ice Plant and provide a list of options for upgrading the facility to optimize energy savings, plant maintenance, equipment longevity and return on investment. The study also considered the possibility of creating a year-round cold storage refrigeration system as an upgrade to the original plan. Two recommendations from the study to optimize energy savings comprise Phase 2 and Phase 3 of the project: upgrading the evaporator fans and condensers with variable frequency drives.

Total Project Cost:

Phase 1: \$40,000 (Design and engineering study)

Phase 2: Evaporator fan upgrades estimate forthcoming.

Phase 3: Condenser upgrades estimate forthcoming.

Schedule:

2019-2020: Phase 1 study completed

2021: Design and engineering for upgrades

2026: Phase 2

Priority: 3



Four of the Ice Plant's aging compressors are shown here.

FY 2027 - DRAFT Document



Large Vessel Sling Lift, Phase 1

Project Description & Benefit: During the investigation conducted in 2014 by the Large Vessel Haulout Task Force, the Task Force quickly recognized a need to provide haulout services to all vessels that moor in the harbor. As a first step in filling this need, the Port & Harbor developed an airbag haul-out system on available tidelands within the harbor. This system has proved successful.

However, the system works only for part of the fleet: large, flat-bottomed, shallow draft vessels. Much of the fleet in the harbor is not able to use this system because of the vessel's deep draft hull configuration.. A lift in a local commercial yard is being expanded to accommodate vessels up to 150 tons, which will accommodate most limit seiners and many of our larger boats. Homer will still lack haulout services for deep draft vessels larger than 150 tons.

A sling lift has been proposed as a possible haulout solution for vessels that are not currently being served in Homer. The lift, coupled with an on-site repair yard would provide these vessel owners the option to perform their annually required maintenance and repairs locally without having to travel away. Haul outs ease the burden of travel for the vessel owners during the winter season and, as an added bonus, generate business to help sustain local marine trades.

Key to the success of the project is to select a location that has space for an on-site repair yard, and to select a sustainable owner-operator model. Possible locations are the old chip pad or in the new large vessel harbor; owner-operator scenarios include privately owned and operated with a lease to the Enterprise, a public private partnership, or alternatively, municipally owned and operated by the City using Enterprise employees.

Plans & Progress: Project development will have two phases. The first phase will be a comprehensive study about how to best build and operate this new service at the Port of Homer. It will consider location and include engineering and design options and a cost-benefit analysis. The study will also research options for operating this new service, providing an analysis of various ownership and operating models. It will also work on completing regulatory requirements such as a Stormwater Pollution Prevention Plan (SWPPP) with the Alaska Department of Environmental Conservation.

Phase 2 will be construction of the support infrastructure after considering the results of the phase one study and acquisition of the sling lift.

Total Project Cost: \$65,000 (Phase 1)

Schedule: 2029

Priority Level: 3



An example of a sling lift and adjacent repair yard area.



Steel Grid Repair/Replacement

Project Description and Benefit: The Steel Grid is a series of benches (steel beams) laid out on intertidal land that can support a boat for hull repairs during low tides. Vessels float over the grid at high tide and then set down on the grid as the tide recedes. Vessel owners are able to do minor repairs and inspections to their vessels hulls while “dry” on the grid and refloat with the incoming tide.

The Steel Grid is one of two tidal grids that the Port and Harbor operates. Because of Kachemak Bay’s large tidal exchange, Homer’s tidal grids are a useful and inexpensive way for vessel owners to maintain their vessels’ hulls.

Homer’s Steel Grid was originally built 50 years ago and accommodates vessels from 60 feet to 120 feet with a 200 ton limit. The grid was originally rated for vessels up to 400 tons but was downgraded to 200 ton max limit as it aged due to the condition of the supporting piles and benches. Maintenance and repairs of bents and fenders kept this grid patched up and going for a good long while, but the steel grid was decommissioned in spring of 2024 after an in-house inspection revealed holes in the supporting structure. Replacement or repair options will be discussed after an engineer’s condition evaluation in Phase 1.

The goals of this evaluation include:

- Determining whether the existing structure is usable in any capacity
- Assessing if the grid is completely unsafe for continued use
- Estimating the cost of replacement
- Exploring creative or alternative options for restoring the facility to meet safe working load requirements, particularly for larger vessels needing inspection and minor hull maintenance.

Plans & Progress: This project consists of three phases. The first phase is an engineer’s inspection and condition report **which was funded by the City in 2025**. Phase 2 consists of engineering, design and permitting work to be followed by construction.

Total Project Cost:

Phase 1: Engineer’s Condition Evaluation: \$30,000 **(funded)**

Phase 2: Engineering, Design, Permitting and Cost Estimate: TBD

Phase 3: Construction: TBD

Schedule: 2026

Priority Level: 1



A marine vessel utilizing Homer Harbor’s steel grid for repairs.



Wood Grid Replacement

Project Description & Benefit: The Wood Grid is a series of benches (in this case wooden beams) laid out on intertidal land that can support a boat for hull repairs during low tides. Vessels float over the grid at high tide and then set down on the grid as the tide recedes. Vessel owners are able to do minor repairs and inspections to their vessels hulls while “dry” on the grid and refloat with the incoming tide.

The Wood Grid is one of two tidal grids that the Port and Harbor operates. Because of our large tidal exchange in Kachemak Bay, Homer’s tidal grids are likely one of the most useful vessel grid systems in the world. They utilize the tides to our advantage to provide an inexpensive way for vessel owners to maintain their vessels’ hulls.

Homer’s Wood Grid was originally built 50 years ago and accommodates vessels up to 59 feet with a 50-ton limit. Other than the walkway replacement that occurred in 2001, the wood grid has seen very little attention in terms of upgrades since.

Three particular issues would likely be addressed in an upgrade. Gravel has migrated downhill and filled in between the benches, making it increasingly difficult for people to actually get under the vessels on the grid to perform repairs. A second issue is with the Wood Grid’s retaining walls. Due to age, the upper wall is no longer retaining infill from the bank above and the lower submerged wall has degraded to the point that staff are not able to repair it. Another concern is that the benches and the buried pile that support them have deteriorated to the point that staff is unable to repair them. At a minimum the piles and benches will need to be replaced.

Plans & Progress: This project would consist of two phases. The first phase is preliminary engineering and design to ascertain the scope and cost of the improvement, including what permitting is required. The second phase would be construction.

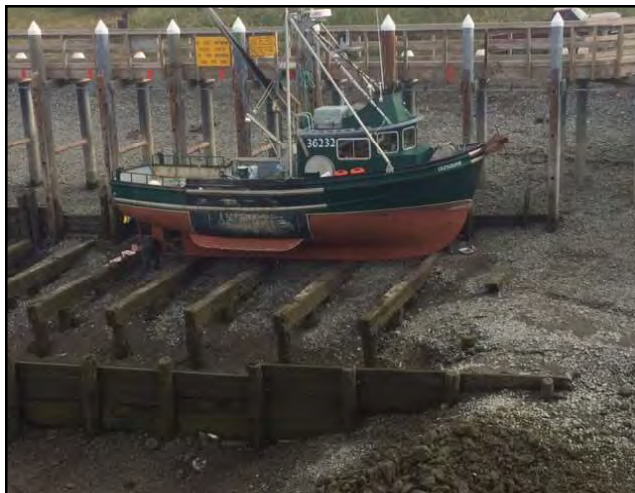
Total Project Cost:

Phase 1: Engineering and design: \$30,000

Phase 2: Construction: to be determined in Phase 1.

Schedule: Phase I: 2026

Priority Level: 2



The Wood Grid in Homer’s Port and Harbor was originally built 40 years ago and accommodates vessels up to 59 feet with a 50 ton limit. Other than replacing the walkway in 2001, the wood grid has seen very little in terms of upgrades since.



Public Safety

- **Fire Hall Expansion, Phase 130**
- **Fire Department Fleet Management31**

FY 2027 - DRAFT Document



Fire Hall Expansion, Phase 1

Project Description & Benefit: In 2014, in response to aging and crowded conditions, the City assessed Homer's emergency services space needs. Initial plans to correct building and space inadequacies called for co-locating the Police and Fire stations within a new Public Safety facility. However, ultimately, the decision was made to build a stand-alone Police Station and defer expansion plans for the Fire Department.

In the interim, the City addressed much needed deferred maintenance at the Fire Hall, which included conversion to natural gas, improved air handling, fixing floor drainage issues in Bays 2 and 3, and general refurbishing of wall and floor finishes and kitchen cabinets, but nothing was done to address inadequate facility space or increased demands on service requirements.

The current fire station was built in the early 1980's. It has five bays to hold four fire trucks and two ambulances. Vehicles are double-stacked in the bays with barely enough room for a person to move between the trucks, much less accommodate new, modern fire apparatus, which are longer and wider than the vehicles the bays were originally designed for. Storage, training, parking and apron space are also very limited. Expansion is required to meet minimum space requirements for firefighting apparatus, provide an adequate number of offices and bunk rooms and sufficient storage, parking and drill training spaces.

This project resumes the planning/conceptual design process for a new fire station facility that will adequately meet the community's current need for well-prepared, safe, and timely emergency response. It (1) updates the needs assessment to reflect current departmental conditions and needs for a stand-alone Fire Station facility; (2) conducts site feasibility analysis, including the potential to incorporate the former Police Station property into a design at the current site, either through expansion or rebuilding; and (3) conceptual designs and cost estimates.

Plans & Progress: This project can progress in phases. Phase 1 is pre-development and design work.

Total Project Cost: \$22,000,000

Phase 1, Design: \$ 1,500,000

Construction: \$20,500,000

Priority Level: 1



Two examples illustrating the department's need for additional space: parking area in the equipment bay does not meet minimum space requirements for firefighting apparatus and insufficient storage capacity.



Fire Department Fleet Management

FY 2027 - DRAFT Document

Project Description & Benefit: To meet the community's fire protection needs and Insurance Services Office (ISO) requirements, Homer requires two Tankers for off-hydrant operations, two front-line Fire Engines and one Reserve Fire Engine. National Fire Protection Agency codes recommend maintaining apparatus with the latest safety features and operating capabilities to maximize firefighting capabilities while minimizing the risk of injuries. Apparatus in first-line service should not be more than 15 years old; apparatus should then be used in a reserve status for an additional ten years and decommissioned once it is 25-years old.

While the City has made great strides to update its aged fleet of aged-out apparatus and specialized vehicles, Homer Volunteer Fire Department (HVFD) **lacks two pieces of equipment critical to safe and effective wildland urban interface fire response in the wildland urban interface. The two priority pieces of equipment are a Type-3 WUI pumper and a Type-6 Brush / Attack unit. In 2022, after 33 years of service, HVFD's single front-line wildland firefighting apparatus (a 1990 Ford F-350 Crew Cab Pickup with a forestry firefighting slip-in unit) was decommissioned.**

HVFD presently utilizes a Type-1 structural-only Engine-4 to respond to WUI calls. It is a 42-year old, open cab pumper truck housed on the bluff in HVFD's remote response station. It is not designed for wildland applications and has severe limitations in our WUI coverage area, but we have no other choice. It is too large and heavy to safely negotiate the steep slopes and narrow unimproved roads in the Homer's WUI and mutual aid WUI response areas on the lower Kenai Peninsula. In many cases it cannot get close enough to a residence to initiate fire attack. Its age presents significant safety concerns for responders, including that it is capable of seating only two firefighters in the cab, as we cannot allow firefighters to sit in the open jump seat riding positions.

This purpose of the request is to address an urgent need to acquire frontline WUI firefighting apparatus to reduce safety risks to responding personnel and volunteers, improve operational outcomes for our community members, and to better protect against property and critical infrastructure losses. This capability gap was identified in an internal risk assessment and is cited in Homer's All Hazards Mitigation Plan and the Kenai Peninsula Borough Community Wildfire Prevention Plan of 2022.

It also reflects the Department's comprehensive approach to wildfire protection, as the Type-3 unit provides robust pumping capacity and crew transport for wildland and structural protection, while the more agile Type-6 unit enables rapid initial attack on remote WUI fires, with both apparatus complementing each other in mutual aid responses and allowing our department to deploy the right resources based on incident complexity, terrain challenges, and staffing availability. These complementary apparatus enable a tiered response system where the Type-6 serves as a rapid scout and initial attack vehicle, while the Type-3 follows with additional water, equipment, and personnel when for escalating incidents or direct structure protection. The combination also allows us to effectively cover multiple incidents simultaneously during high-activity periods.

Plans and Progress: HVFD developed a fleet replacement plan that places apparatus on standard replacement cycles consistent with NFPA requirements and community needs. A used ladder truck was purchased in 2023; a quick attack brush truck and replacing Engine 4 are the next two highest priorities.

Total Project Cost: \$1,221,412

Type-3 WUI Pumper Unit: \$ 756,593

Quick Attack/Brush Truck: \$ 584,347

FY27 Federal Request: \$1,163,250

City of Homer Match: \$ 58,162

Priority Level: 1



HVFD's Brush-1 was a NPFA non-compliant, converted 1990 Ford truck which was decommissioned after it aged out of its functional life span by 17 years.



Public Works Projects

- Baycest Overlook Public Restroom Rebuild33
- Comprehensive Drainage Management Plan34
- Engineering Study for Homer Public Library Remodel 35
- Heath Street Rehabilitation36
- HERC Hazardous Material Cleanup
& Revitalization Plan.....37
- Homer Airport Terminal Improvements38
- Homer Public Library Siding Replacement39
- Homer Waste Water Treatment Plant Improvements .40
- Parking Lot Drainage Solutions for
Homer Public Library41
- Water Storage/Distribution Improvements42
- Water Treatment Plant Drying Beds.....43
- Wayfinding & Streetscape Plan Implementation.....44



Baycrest Overlook Public Restroom Rebuild

Project Description and Benefit: Baycrest Overlook is a State-owned scenic rest stop on the south side of the Sterling Highway at the crest of a hill offering vistas of Homer, the Homer Spit, Kachemak Bay and lower Cook Inlet. In addition to views, the pull out features parking, trash receptacles, visitor information and restrooms. It is a popular stop for many visitors to Homer

The facility was built by the State of Alaska in 1997. It is owned by the State of Alaska, and managed by the City of Homer as a park through mutual agreement. Prior to construction, the City of Homer requested that the State include a public restroom. As part of a formal agreement between the state of Alaska and the City of Homer to secure a restroom facility on site, the State agreed to build the restroom and the City is responsible for its maintenance, cleaning, repairs, and replacement when the time comes.

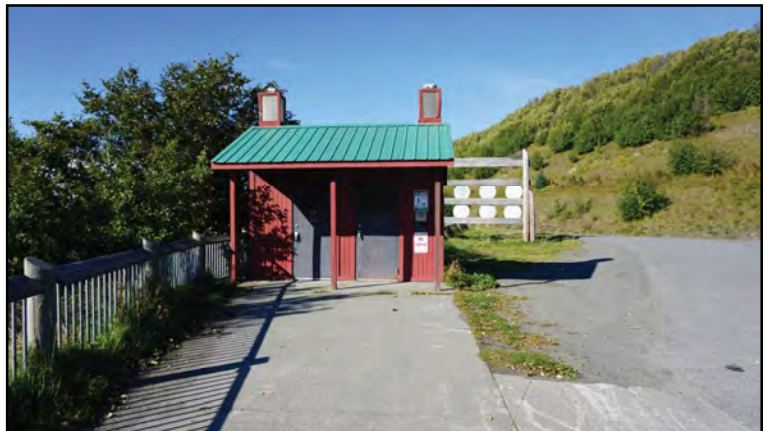
At nearly thirty years old, the facility has exceeded it's useful life. The building portion of the restroom is failing and needs to be replaced.

Plans & Progress: This project will demolish the above ground portion of the building, leaving the below ground concrete pit portion of the pit toilet in place and build a new restroom building over the existing pit toilet.

Total Project Cost: \$300,000

Schedule: 2027

Priority Level: 3



The public restroom building at the Sterling Highway Baycrest Overlook is structurally compromised and needs to be replaced.



FY 2027 - DRAFT Document



Comprehensive Drainage Management Plan

Project Description and Benefit: Homer's Drainage Management Plan, developed in the early 1980s, includes design criteria and methods for a standardized approach to the construction of drainage facilities based on basin runoff flows. The Plan recommended the use of "natural drainage ways and pre-existing man-made drainage ditches as the most cost-effective way to develop the complete drainage system."

Currently, the City maintains only three miles of storm sewer and associated catch basins that outflow into Kachemak Bay. Otherwise, Homer's stormwater is largely channeled and drained through an open ditch system. Homer's Design Criteria Manual for subdivisions does not currently address on-site stormwater management, with individual developers addressing stormwater on large parcel developments on a case-by-case basis.

Conditions have changed since the early 1980s. Development in Homer has greatly expanded, and with it the size and demand on Homer's drainage system. Stormwater management strategies and tools have also advanced considerably since Homer's plan was developed. They now include a wide variety of gray and green infrastructure technologies, low impact development and behavioral practices, as well as innovative policy strategies (such as drainage districts) that, together, can improve the quality and reduce the velocity and quantity of runoff discharging onto downstream properties or directly to receiving waters.

This project develops a comprehensive regulatory, administrative and operational framework to guide Drainage Management in Homer with the goals of protecting our environment; reducing flooding to protect people and property; reducing demand on public stormwater drainage systems and supporting healthy watersheds. It will:

- Consider and recommend storm water management systems and best management practices including specifications for collection, storage, conveyance and treatment structures;
- Where practical, it will incorporate low impact development and green infrastructure management practices to treat or reduce storm water discharges and urban non-point source runoff to area streams and the critical wildlife habitat of Kachemak Bay;
- Include public input in policy development to better manage runoff and protect downstream properties from the impacts of runoff, pollution prevention and property development best practices.

Plans & Progress: Public works staff are defining drainage basins and completing steps as they are able, but the plan would be for consultants to assist with developing the City-wide plan.

Total Project Cost: \$300,000

Priority Level: 1



Goals of the Drainage Management Plan would be protecting the environment; reducing flooding; reducing demand on public stormwater drainage systems; and supporting healthy watersheds. (Photo courtesy of Wisconsin Department of Natural Resources.)



Engineering Study for Homer Public Library Remodel

Project Description and Benefit: Homer Public Library has expanded steadily in line with population growth in the area, from a 600 square foot cabin in the 1950s to a 3,500 square foot building in the 1980s to the current 17,000 square foot facility, which opened in 2006. In the 2018 Homer Comprehensive Plan, staff noted that the new building was projected to meet the community's needs for 20 years, and those projections have proven reasonably accurate. As of 2025, the building has not yet exceeded capacity, but the area population is growing, as is public use of the library.

Staff have identified several needs, based on operational impact and competition among patrons for limited resources. Operationally, the library needs increased storage space and office/workspace. Based on use, public use spaces to be considered in the remodel include:

- A larger meeting room. The current meeting room is 19' x 15'6". The multipurpose space should be at least twice as large. This was identified as a long-term priority in the Library's 2019 Strategic Plan.
- A dedicated teen room
- An outdoor covered space, suitable for public programs even in marginal weather. The Friends of Homer Library and some community members have discussed this in conjunction with improvements to the western lot, but it was not considered a high priority for that project. Accessibility improvements, such as signage and bathrooms that are easier to use.

Plans & Progress: Staff has identified specific needs, and some high priority components of the remodel have been prioritized in the Library's 2019 strategic plan, but no design work or planning has been done. Funding is requested for an engineering study to conduct a needs assessment and provide a detailed space analysis, cost estimate, concept design options and, public outreach. The study will provide the basis for determining feasibility of various projects, which could be combined or treated separately.

Total Project Cost:

Engineering Study: \$75,000
Construction: TBD

Schedule: 2027

Priority Level: 3



Library usage has increased substantially over the past seventeen years, and with it, the need to remodel to expand both public use and operational spaces within the building.



City of Homer Capital Improvement Plan • 2026-2031
This project is being returned to the CIP. It is likely this project will not be fully constructed with the FY22-25 TAP award due to cost escalation between estimating and project award by Alaska DOT
Homer All Ages & Abilities Pathway
 escalation between estimating and project award by Alaska DOT

Project Description and Benefit: This project completes critical sidewalk gaps in Homer's pedestrian network, connecting neighborhoods, Coast Guard housing, and the Senior Center to essential services, businesses, and schools. The project provides safe, year-round access to major destinations including the Public Library, markets, pharmacy, Post Office, banks, recreation areas, hospital, and the medical district. Wayfinding signs and online tools will help residents and visitors navigate the routes, increasing tourism access and economic benefits to the Central Business District.

The Homer All Ages and Abilities Pathway, or HAAP, shown below, consists of two interconnected loops. The north loop connects the Senior Center on Svedlund Street south to Pioneer Avenue, then west to Main Street via Herndon and Lee Streets. The south loop intersects at Svedlund and Pioneer Avenue, continues on City-maintained Poopdeck Trail to Hazel Avenue, then south to the Sterling Highway and connects to existing trail from the Visitor Center through Old Town, returning north on Main Street to Lee Street.

Much of the route is already constructed. This project will complete and connect the two loops by constructing sidewalk on Svedlund Street from Pioneer Avenue to the Senior Center, from Herndon Street to Lee Drive to Main Street, and on the State-owned portion of Main Street from Sterling Highway to Ohlson Lane. Enhanced crosswalks with safety features like Rectangular Rapid Flashing Beacons and high-visibility markings are planned for Pioneer Avenue and Sterling Highway crossings. Right of way is secured on the City-owned sections of the sidewalk to be constructed and an environmental checklist shows no concerns.

Plans & Progress: The City's investment of \$1.4M in 2024-2025 to construct Main Street sidewalk from Pioneer Avenue to Fairview completed one major missing portion of the HAAP. Private sector support has included sidewalk construction by the Aspen Hotel in 2019, connecting the Sterling Highway to the Island and Ocean Visitor Center's public trails.

The City completed design for the Svedlund/Herndon sidewalk segments and applied for and was awarded \$3.48M from the Alaska Department of Transportation's (ADOT) FY22-25 Transportation Alternatives Program to complete design and construction. **The City is negotiating a Memorandum of Agreement with the State to commit matching funds. Because project costs have escalated since the original cost estimate, a reduced project scope is likely with priority given to Main Street South and Svedlund Street. The project will proceed in phases according to the availability of future TAP funds and/or City or Homer funds.**

Total Project Cost:	\$ TBD
Predevelopment:	\$ 775,000
Construction:	\$ 3,100,000
FY22-25 TAP award	\$ 3,486,787
City match:	\$ 388,713

Schedule: 2025-2028

Priority Level: 1

36

Contact Mayor Rachel Lord or Melissa Jac



HAAP completes important sidewalk connections and installs high visibility crosswalks to improve non-motorized transportation safety.



Heath Street Rehabilitation

Project Description & Benefit: This project rehabilitates Heath Street, a collector street in Homer that runs north-south from Pioneer Avenue to the Sterling Highway. Heath Street provides critical access for Homer's public safety responders: Homer Volunteer Fire Department at the top of Heath Street on Pioneer Avenue, Homer Police Department further south on Heath Street and Homer Public Works Department at the bottom of Heath Street on the Sterling Highway. Other major destinations on Heath Street include a US Post Office, the University of Alaska's Kenai Peninsula College, a 55,000 square foot commercial building, financial institutions and the Homer Public Library.

Heath Street is a paved road that is showing signs of failing. The vehicle wheel tracks are depressed, almost like ruts in the asphalt. Public Works believe this is being caused by a failing storm drain system and inadequate drainage that is allowing water to infiltrate the road bed causing soft spots. The condition is getting worse with each freeze-thaw cycle.

Rehabilitation work should include improvements to the curb, gutter and sidewalk, including proper curb cuts to make the sidewalk and street crossings accessible. A flashing beacon, signaled crosswalk is proposed at Hazel Street.

Plans & Progress: The City has completed a storm drain condition survey and final design.

Estimated Project Cost: \$1,235,000

Schedule: 2027

Priority Level: 2

Funding Secured	Prior to July '23	FY24/25
Storm Drain Condition Survey & Design	\$ 30,136.55	-



Photo showing the beginning of soft spots mid-way down Heath Street.

FY 2027 - DRAFT Document



HERC Hazardous Material Cleanup and Revitalization Plan

Project Description and Benefit: This project initiates cleanup on a 4.3-acre Brownfield site located in the heart of Homer’s commercial district at the corner of the Sterling Highway and Pioneer Avenue. The project will help create an economically viable reuse plan that will contribute to Homer’s overall quality of life and the economic development of Homer’s central business district.

The Homer Education and Recreation Complex, or HERC property, houses two former school buildings (built in 1956) that were originally owned by the Kenai Peninsula Borough but were conveyed to City of Homer ownership in 2000 to allow public use of the gym, offices, classrooms and associated restrooms. Over the years a variety of structural and feasibility analyses have been performed at the HERC (a) when the building was called upon to house a new activity, and (b) to assist the City and community in understanding how to more fully and cost effectively utilize the building. However, contamination in the two buildings (asbestos, PCBs, mercury and lead-containing materials) requiring controlled removal and disposal has thwarted all efforts. The buildings are in a state of disrepair; the smaller structure the City views as unusable due to potential structural instability. It is only a matter of a years before the larger building can no longer be utilized for recreational programs and for City staff offices, equipment storage and maintenance shop space.

Plans & Progress: In spring 2023, the City contracted with Hazardous Building Materials Consulting, LLC to carry out a limited Hazardous Materials Assessment of HERC 1 (the larger of the two buildings) and a comprehensive assessment of HERC 2 (the smaller of the two buildings) at an investment of \$58,349. The results reveal that both buildings contain hazardous materials, as expected due to their age and the prevailing construction materials utilized in the 1950s. Examples include lead paint, asbestos, and materials like paint and varnish that harbor PCBs. These test results hold significant implications for these buildings’ demolition (or renovation).

The project will progress in phases; the first is procuring professional services to make a cleanup plan followed by property cleanup activities. In FY25, the Alaska Department of Environmental Conservation will be providing Brownfields Assessment and Cleanup services including additional hazardous materials testing and an Analysis of Brownfields Cleanup Alternatives (ABCA) that summarizes information about the site, cleanup standards, applicable laws, cleanup options and alternatives considered. A clean up plan will be adopted, followed by revitalization planning.

Project Cost: Project clean up cost to be determined after the ABCA report.

Schedule: 2025-2027

Priority Level: 1



One of the two buildings on the HERC site containing hazardous materials.

Funding Secured	Prior to July '23	FY24/25
HERC 2 Clean Up		
General Fund CARMA	\$153,000	



Homer Airport Terminal Improvements

FY 2027 - DRAFT Document

Project Description and Benefit: The Homer Airport Terminal, built in 1994, suffers from obsolescence and deferred maintenance of its major systems such as the antiquated fire system, obsolete air handling system and failing exterior doors. While the interior lobby space offers an attractive welcome, some of the public features do not comply with the ADA, including the restrooms. The exterior is showing its age – peeling paint has allowed the weather to penetrate the building’s protective siding. Recent efforts to work with a painting contractor has revealed that the siding is no longer paintable or maintainable.

This project will complete repairs and renovations needed for ADA-compliance, energy efficiency, security and resilience. Improvements will benefit the Homer Airport, a regional Airport that provides access to the intrastate air transportation system for all of the Southern Kenai Peninsula and Kachemak Bay region and supports light plane service to several small communities on the south shore of Kachemak Bay which otherwise are only accessed by boat. Aviation plays a critical role in the everyday life of rural Alaska towns; our economy, citizens, businesses, industries, and government agencies depend on aviation, often as a primary mode of transportation for travel, medical services, shipment of goods, and tourism. At times when highways are shut down, the airport facility is a lifeline. Addition of an emergency backup power generator will keep the terminal operational in times of emergency and power outages.

The project also benefits visitors. The City has developed a cohesive, City-wide plan for consistent and attractive wayfinding. Directional and informational signs at Homer’s gateways are the highest priority in Homer’s Wayfinding Plan; implementing wayfinding designed for the Airport Terminal helps people get where they want to go and improves the visitor experience.

The AK Department of Transportation and Public Facilities owns the airport and leases space upon which the Homer Airport Terminal sits to the City of Homer. The City is responsible for building maintenance, repair and renovations. The Terminal is a joint use passenger/cargo terminal comprised of a 8,673 SF, single-story building, including 1,200 SF of cargo terminal. The functional areas in the building include departure lounge/security, lobby/waiting area, airline space, baggage claim/bag car unloading, concessions, circulation, and administration/mechanical.

Plans & Progress: The City’s FY24-25 capital budget allocated funds to complete two high priority projects for customer safety and accessibility: constructing an ADA family restroom in the terminal and replacing the sidewalk in front of the terminal. These projects were completed in 2024.

Total Project Cost: \$1,632,156

Interior Renovations \$378,000

New ADA family restroom (\$ 54,400 completed)

Current restroom ADA renovation

Fire/Life Safety Systems \$189,156

Replace HVAC and fire alarm systems

Replace automatic entry doors for security/energy efficiency

Exterior Renovations \$1,000,000

Replace front entry sidewalk (\$249,961 complete)

Provide ADA-compliant parking and access

Replace exterior siding

Install wayfinding signage/kiosk

Resilience Measures: \$95,000

Portable backup generator for emergency power

Schedule: 2028

Priority Level: 2



Homer Airport Terminal Cargo entrance

Funding Secured	Prior to July '23	FY24/25
ADA Restroom		-
COH Design Gen CARMA	\$ 4,400	
COH Construct Gen CARMA	-	\$ 50,000
Replace front entry sidewalk	-	
COH Capital Budget		\$ 151,246
FY22 Community Assistance		\$ 98,715



Homer Public Library Siding Replacement

Project Description and Benefit: The Homer Public Library building opened in September 2006. The concrete siding was relatively new technology at the time, and while it has lasted 17 years, it is now cracked and falling off the building. The City's Building Maintenance division has worked hard to patch and replace missing pieces, but the worsening problem is both an eyesore and a potential path for moisture to enter the building.

The siding covers all four sides of the building, but the damage is worst on the south side, where the wall curves outward and the siding is under tension.

Plans & Progress: Building Maintenance has contacted several vendors for cost estimates and are still awaiting response. The costs below are a best guess, based on experience and the area of the building's façade. Professionals could fully replace the siding in a week or two, weather permitting. If funding and a contract is secured, the project could be done in summer 2024 to protect the facility from water infiltration and damage.

Total Project Cost: \$500,000

Schedule: 2026

Priority Level: 1



Examples of damaged and broken siding on the library's south-facing wall (at left) and above the library's back door (at top).



Homer Waste Water Treatment Plant Improvements

Project Description and Benefit: The two clarifier tanks at the Waste Water Treatment Plant (WWTP) each contain about 94,000 gallons of waste water and operate clarifying equipment to remove solids from the waste stream in order to meet permit regulations and protect the clean waters of Kachemak Bay. The clarifiers and all associated equipment were originally installed in 1990 and are subject to corrosion.

Despite regular maintenance, in 2022 a clarifying belt unit failed in one of the tanks. In an emergency fix, the maintenance crew noted excessive wear on the rollers, links and support pin for the flights of belts in both tanks, prompting an emergency replacement.

This project seeks to protect the treatment units and mitigate corrosion in the future by removing the existing coating in the clarifiers and digesters in the WWTP and applying a new coating consistent with industry standards as corrosion protection for the concrete tanks and vats. It also improves reliability by replacing other electrical controls at the Waste Water Treatment plant exposed to corrosion showing excessive wear. It also rebuilds the electrical components of the effluent box at the sewage lagoon.

Plans & Progress: The Project is listed on the Alaska Department of Environmental Conservation's FY24 Intended Use Plan for State Revolving Loan funds. One component of the improvements, the WWTP generator transfer switch was replaced in 2024 for \$38,000.

Total Project Cost:	\$1,903,000
Clarifier Coating Replacement	\$1,200,000
Digester Coating Replacement	\$ 600,000
Electrical Component Replacements	\$ 103,000

Schedule: 2027-28

Priority Level: 2



Digester tanks (above) and Clarifier tank (below) at Homer's Waste Water Treatment Plant.





Parking Lot Drainage Solutions for Homer Public Library

Project Description and Benefit: The public parking lot for the Homer Public Library slopes down to the south, which channels rain and meltwater towards the accessible parking spaces near the building entrance. In accordance with ADA regulations regarding wheelchair access, the parking spaces themselves have a 1% westward gradient, which is sufficient to drain water in the summertime. During winter and spring, the gutters fill with ice and grit and trap pools of standing water, which then freeze overnight and create a slip hazard.

The ice has been a recurring issue since the building opened in 2006. Staff have considered relocating the accessible spaces, but that would put them farther from the building entrance and would still leave the hazard for other patrons.

Plans & Progress: Public Works personnel addressed the issue in July 2023 by creating a drainage channel through the parking lot curb and clearing out obstructions from the drainage ditches. Also, snow removal operations were modified so that plowed berms allowed a gap for drainage. Parks and library staff monitored the drainage through the spring of 2024 and determined that the situation had improved, but the problem remained.

Possible solutions include installing a stormwater catch basin and stormwater piping to convey water to the stormwater collection piping on the property or the piping along Hazel Avenue. Another possible solution is to regrade part of the parking lot to redirect stormwater away from the ADA parking spots and into the below ground stormwater catch basin under the parking lot.

Total Project Cost: \$330,000

Design/Engineering: \$ 30,000

Construction \$300,000

Schedule: 2026

Priority Level: 1



Poor drainage across Homer Public Library's sloped parking lot, especially during winter and spring freeze thaw cycles, creates hazardous walking conditions.



Water Storage/Distribution Improvements, Phase 3

Project Description & Benefit: This project replaces aging water storage/distribution system components and makes other system improvements to increase water storage capabilities and drinking water quality, improve water system distribution and water transmission effectiveness and safeguard public health. A dependable water system ensures public safety and contributes to Homer's growth and economic vitality.

The project also builds drinking water resilience. The storage tank on the water supply system's west trunk will alleviate a drinking water storage deficiency. Current storage capacity gives Homer only a two-day supply of stored drinking water, creating vulnerability to critical water shortages. A 500-foot trunk line from the new tank will provide domestic water and firefighting capabilities to an unserved area in the city, and the pressure-reducing vault on this line will add system resiliency. The pressure-reducing vault will interconnect the two lines, allowing either trunk to distribute water to the other in the event one is damaged or out-of-service.

First identified during the formation of the 2006-2025 Homer Water & Sewer Master Plan, these critical infrastructure improvements have been designed and partially completed:

- Phase 1: was completed in 2016. 2,600 linear feet of 10" and 12" water distribution main was installed across Shellfish Avenue and a new pressure reducing vault (PRV) was constructed to provide water supply to a new tank site; 4,500 linear feet of 12" water main was extended on Kachemak Drive, both connecting isolated sections of town and eliminating dead end mains. The City removed an old redwood tank and purchased property on which the new tank will be constructed.
- Phase 2: consists of installing water transmission main in support of a future new water storage tank, rehabilitation of the existing A-Frame existing storage tank, and demolition of the A-Frame pressure reducing vault (PRV).
- Phase 3: consists of the construction of a new 0.75 million gallon water storage tank on the east side and a 0.25 million gallon tank on the west side to provide increased capacity for domestic use and fire flow.

Plans & Progress: Project design was completed in 2014 utilizing \$485,000 in Special Appropriation project grant funds from the Environmental Protection Agency and \$399,214 (45%) in matching funds from the City. Phase 1 construction was completed in 2016 utilizing \$1,980,254 in FY16 State of Alaska Municipal Matching Grant program funds, \$848,680 City of Homer funds and benefitted property owner's assessments. Phase 2 construction work was completed in 2022 using ADEC grant monies and water reserve funds using State of Alaska Municipal Matching Grant program funds and City of Homer water reserve account funds.

Phase 3 construction can be completed after phase 2 is finished and funding has been identified.

Total Project Cost: \$10,438,214

2014 (Design, Completed): \$884,214

2016 Phase 1 Construction(Funded, Completed): \$1,980,000

2026-2027 Phase 2 Construction (Funded, Completed): \$1,600,000

2028 Phase 3 Construction: \$5,974,000

Priority Level: 2

FY 2027 - DRAFT Document



Water Treatment Plant Drying Beds

Project Description and Benefit: This project replaces the one-time-use Drying Beds associated with the Drinking Water Treatment Plant. The residue (fine silts, clays, and other particulate) filtered out of the water entering the Water Treatment plant is discharged into drying beds to dewater the sludge to an acceptable level for disposal at the Borough landfill where material must pass the paint filter test, implying the sludge must be dewatered and not contain any free water

The existing Drying Beds were constructed with a polyethylene liner system for a one-time use . They are nearing their life expectancy, therefore prompting the need for this proposed facility improvement.

Plans & Progress: This project will replace the Drying Beds with a concrete pad Drying Bed Surface that will be reusable, thereby providing the City long-term use and financial benefit.

Total Project Cost: \$1,400,000

Design: \$ 150,000
Construction: \$ 1,250,000

Schedule: 2027

Priority Level: 1



Particulate from the raw water filtration process settles in ponds at the Water Treatment Plant (above) before being removed to dry in beds (below) in preparation for transport to the landfill.





Wayfinding & Streetscape Plan Implementation

Project Description and Benefit: Homer lacks coherent wayfinding for visitors and residents alike to find destinations by vehicle or on foot. The City hired Corvus Design to create a wayfinding plan for the City in 2021, which was adopted in 2022. Recommended improvements include working with the Alaska Department of Transportation (DOT) to revise many Sterling Highway signs, and install themed signage for drivers and pedestrians so they can easily find destinations. The work also included recommendations on benches, trash cans and landscaping which contribute to the small town character of downtown Homer.

Plans & Progress: The project will proceed in two phases. The goal of the first phase is to install 26 Pioneer Avenue banners, ten wayfinding signs and ten benches. New Pioneer Avenue banners were installed in 2023. Capital funds for wayfinding signs were approved in the City's FY24 capital budget, with the goal to fabricate and install basic bollard style trail marker signs on both ends of five routes. The City will also work with Alaska Department of Transportation (AK DOT) to update road signage during the Sterling Highway the repaving project (likely in FY25/26) and during other future AK DOT road projects in Homer. Goals of phase two is to install 26 wayfinding signs, two gateway signs and an additional ten benches.

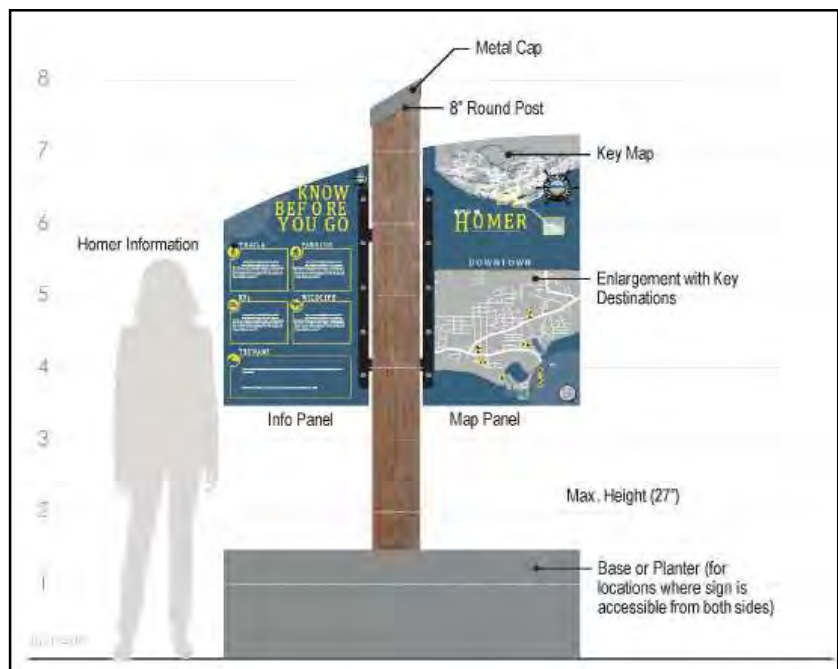
Total Project Cost: \$277,500

Phase 1: \$126,500 (\$56,500 secured)
Phase 2: \$151,000

Funding Secured	Prior to July '23	FY24/25
Pioneer Avenue banners	\$ 6,500	-
Wayfinding trail marker signs		
COH HART Fund	-	\$ 50,000

Schedule: Phase 1 2023-2026

Priority Level: 2



Schematic design of wayfinding sign.

FY 2027 - DRAFT Document



State Projects

The City of Homer supports the following state projects which, if completed, will bring significant benefits to Homer residents.

Transportation projects within City limits:

- **East Hill Road Bike Lane46**
- **Kachemak Drive Rehabilitation/Pathway.....47**
- **Main Street Rehabilitation.....48**
- **Sterling Highway Milepost 172:
Drainage Improvements49**
- **Traffic Control at the Corner of Sterling Highway
and Soundview Avenue50**
- **West Hill Road Bike Lane51**



East Hill Road Bike Lane

Project Description and Benefit: This project would create a bike lane, in conjunction with an Alaska Department of Transportation project to repave East Hill Road.

East Hill Road is one of Homer's key arterials, connecting scores of residential properties to downtown Homer. There is currently no safe provision for non-motorized traffic; pedestrians and bicyclist must take their lives into their hands by riding on the road.

The project is conceived as one lane for non-motorized traffic on one side of East Hill Road, with separation from the road for safety. Some drainage work within the right-of-way would be required to properly direct storm water runoff to catchment basins and adjacent roadside ditches.

Plans & Progress: The need for a non-motorized transportation element on West Hill Road was identified in the 2021 Update to Homer's Non-Motorized Transportation and Trail Plan. This project also aligns with transportation goals articulated in the City's Comprehensive Plan.



FY 2027 - DRAFT Document



Kachemak Drive Non-Motorized Pathway

Project Description & Benefit: This project constructs a separated non-motorized pathway along Kachemak Drive from East End Road to Ocean Drive. Kachemak Drive, a State-owned/operated road in the City of Homer, is a primary east-west transportation corridor. It is a 35-miles per hour, narrow, winding road with essentially no shoulders, only side-slopes and drainage ditches along most of its length.

The road provides access to a state airport with general aviation businesses, light industrial businesses, private residents and connects the Homer Spit to several marine storage and repair businesses, most notably Northern Enterprises, the largest industrial marine storage, repair and boat launch complex on the southern Kenai Peninsula. As a major truck route and commuter route for residents in Kachemak City and other communities further out East End Road, traffic is often heavy, with over 1,500 vehicles daily. Kachemak Drive is also a tsunami evacuation route and is the only alternate route connecting Homer to East End Road should emergencies close the primary west to east Pioneer Avenue route.

Kachemak Drive is also heavily used by pedestrians and cyclists. Bicycle traffic has increased over the years due to the advent of wide-tire winter bicycles and Homer's increasing popularity as a bicycle-friendly town. Recreational and commuter bicyclists and pedestrians use Kachemak Drive to connect to non-motorized paths along the Homer Spit, Ocean Drive, and East End Road. However Kachemak Drive is inherently unsafe for non-motorized users due to narrow lane width, the lack of shoulders, traffic levels and design speed. Cyclists are forced to the left of the fog line. Motorists typically slow down behind bicyclists, wait until there is no oncoming traffic, then pass by crossing the center line. This condition is dangerous to motorists and cyclists, especially on curves and the hill leading up from the base of the Spit to the airport, where visibility is low -- creating the perfect storm for conflict between motorized and non-motorized users at best, and injury or fatalities at worst.

The benefit of constructing a two-lane, unpaved separated path that runs parallel to Kachemak Drive is two-fold. Foremost, it will significantly improve safety for non-motorized users, provide greater accessibility and pedestrian path connectivity, as well as a higher quality of life for residents and visitors alike..

Plans & Progress: The City has long identified this route as a high priority safety issue. When Alaska DOT&PF began scoping a "1R" road project for Kachemak Drive, Homer City Council passed Resolution 21-065 requesting that DOT include accommodations for non-motorized users in the 1R project plan and evaluate a future project to create safe and sustainable pedestrian amenities along Kachemak Drive. The AKDOT&PF Preconstruction Manual states, "Expect bicycle traffic along most roads and streets. Where bicyclists are allowed, all new construction and reconstruction must provide for use by bicyclists and pedestrians."

The 2024-27 State Transportation Improvement Plan currently programs funds to reconstruct Kachemak Bay Drive from the Sterling Highway to East End Road. Work includes raising and widening 3.5 miles to improve motorized and non-motorized passage. The State project leverages 100% Federal share by matching FHWA PROTECT formula funds with Surface Transportation Block Grant funds.

ADOT will lead in the process and work with the City to plan forward the long-term needs and plans for ROW access, utilities, drainage, etc. for long-term success on Kachemak Drive.



Bicyclists riding in the right-of-way after turning onto Kachemak Drive from the Homer Spit bicycle path..



Main Street Rehabilitation

Project Description & Benefit: This project restores the existing State-owned portion of Main Street in Homer, Alaska to a state of good repair and modernizes it with a complete street approach.

The concept of the project is two-fold. It rehabilitates storm drains and pavement on 2,600 linear feet of the state-owned portion of Main Street from Pioneer Avenue south to Ohlson Lane to improve road surface conditions and reduce maintenance and repair costs over the long term.

Main Street, as the name implies, is a primary north-south corridor running from Bayview Avenue (near South Peninsula Hospital) to Ohlson Lane (near Bishops Beach on Kachemak Bay.) It is a busy mixed-use collector, collecting traffic from adjacent neighborhoods and connecting them to Homer's main arterials – Pioneer Avenue and the Sterling Highway, which is part of the state's highway system. The portion of Main Street between Pioneer Avenue and the Sterling Highway is classified as a major collector; the portion south of the Sterling Highway is a minor collector. These sections support both general purpose and residential traffic, as the street is home to many small businesses, single family and multi-family residences, connects to existing trail systems and connects to one of the City's most popular recreation areas, Bishop's Beach.

Main Street road condition has deteriorated over the past several years. The pavement is raveling and the storm drain system needs to be rehabilitated, as it is inadequate and is allowing water to infiltrate the road bed. This adversely impacts the structural integrity of the road, particularly during freeze-thaw cycles. The lower portion particularly, from the Sterling Hwy to Ohlson Lane, is beginning to fail, evidenced by depressed wheel tracks and soft spots in places. The cause of this is a failing storm drain system and inadequate drainage that is allowing water to infiltrate the road bed. The condition is getting worse with each freeze-thaw cycle. This area is also prone to pothole development also due to the poor drainage, freeze-thaw cycles and small fissures in the road surface that deteriorate over time and with heavy vehicle traffic.

Plans & Progress: Improvements to Main Street first appeared as a priority State improvement project in the City's Capital Improvement Plan in 2006, 17 years ago. The City has held off doing any technical work because it is a State road. In 2022 and 2023, the City conducted extensive and inclusive public engagement soliciting community input on system-wide transportation planning and prioritization and specifically with residents and business owners in the Old Town area of Homer. The quest for improved road and traffic calming began in 2014, which culminated in improvements such as lower speed limits, speed humps and striped pedestrian crosswalks, though no Main Street roadway rehabilitation was included.



State-owned portion of Main Street in Homer, Alaska.



Sterling Highway Milepost 172 Drainage Improvements

Project Description & Benefit: The Baycrest Subdivision neighborhood (downslope from a beehive collector installed at milepost 172 on the Sterling Highway by the Alaska Department of Transportation (ADOT)) is built on sloping terrain of unconsolidated soils containing blue clay with a high water table and incidental springs. Properties in this subdivision experience unusually high levels of flooding, runoff and erosion.

Some Judy Rebecca Court properties in this neighborhood in particular have suffered damage due to water saturation including cracked windows and shifting foundations. The property damage is related to the amount of water in the soil and every effort needs to be extended to control the amount of water introduced into the soil, including water runoff from the Sterling Highway. These homes are located 750 linear feet distant and 125 feet vertical downslope from the beehive collector outfall. While certainly not all the problematic water is coming from the outfall, attention to drainage in the area is important to reduce the potential for slope failure and possible loss of property and life.

Water flow volume measurements from the beehive collector over time indicate that the outfall is directing a concentrated discharge of water onto the Baycrest neighborhood slope, adding to an already precarious water saturated soil condition. The City of Homer requests that ADOT divert the beehive collector outfall off the slope and into a natural drainage similar to the one that exists below the next Sterling Highway concrete encased cross-drain some 80 paces east of the Mt. Augustine Drive intersection with the Sterling Highway.

Keeping water off this slope where possible helps mitigate the potential for catastrophic slope failure; discharging the beehive collector outfall into a naturally occurring drainage mitigates the potential for impacting other area properties with the additional runoff.

Plans & Progress: At the request of affected home owners and Homer City Council members, a local retired geologist studied and provided mitigation recommendations to the City of Homer and ADOT. Additionally, Newton Bingham, a PE with ADOT evaluated the situation in November of 2017. In recognition of the potential hazard to property and life, Homer City Council passed Resolution 17-082 in September 2017 directing the Homer Advisory Planning Commission to consider a Natural Hazards Overlay District or other appropriate zoning regulation on and around Baycrest Subdivision. In line with an Alaska Administrative Order 175 under Order item 1 which states, "To the maximum extent possible consistent with existing law, all state agencies with construction ...shall encourage a broad and united effort to lessen the risk of flood and erosion losses in connection with State lands and installations and state-financed or supported improvements..."; City Council passed Resolution 18-008 in January 2018 requesting ADOT fix Sterling Highway drainage effecting the Baycrest Subdivision.

In February 2018, a group from Homer met with ADOT Deputy Commissioner Amanda Holland and telephonically with Central Region Director Dave Kemp about Homer's request. A February 2019 letter from ADOT refutes that the highway and culvert are altering the drainage pattern as the highway and culvert predates development of the Baycrest Subdivision by twenty years. The letter also states that no engineering analysis would suggest that moving the culvert to a new location would improve conditions in the subdivision.

In 2022, Sterling Highway Reconstruction project managers engaged with the City of Homer Public Works Director about analyzing water flow and drainage related to the project.



Aerial photo of the area downslope of the outfall from a Sterling Highway beehive collector.



Traffic Control at the Corner of Sterling Highway and Soundview Avenue

Project Description and Benefit: This project a traffic light at the corner of the Sterling Highway and Soundview Ave in Homer.

The West Homer Elementary Site Council has worked with the school administrators and staff, parents, and the Kenai Peninsula Borough School District to increase the safety and efficiency of the school parking lot, especially during the school pick up and drop off times. The school moved the bus loading and unloading zone to behind the school and implemented a new traffic pattern for students arriving and departing to eliminate hazardous double drop off and pick up lines of years past and improve the efficiency of bus and parent traffic interaction.

The remaining traffic congestion consists of a bottleneck of cars and busses departing the school due to a required left turn on to the Sterling Highway that crosses the busy northbound lane of traffic. An additional hazard is that northbound traffic is going around cars that are backed up in the northbound lane waiting to turn right onto Soundview Avenue and into the school. The cars waiting to turn left onto the highway from Soundview Avenue are proceeding because it appears northbound traffic is stopped and the drivers are unable to see the cars accelerating and going around the traffic jam. Several near-miss accidents have been witnessed at this location.

The intersection at the highway and Soundview currently has infrastructure that supports a flashing yellow light at the intersection. This stretch of road is overdue to be reworked to provide a proper school zone, turn lanes and cross walks for West Homer Elementary (which opened in 1997). However, in these challenging times with our state budget, the simple solution of regulating traffic turning onto the Sterling Highway with a new traffic light using the existing infrastructure would be a small improvement that will have big impact. Replacing the flashing light with a programmable traffic light that controls north and southbound traffic to allow left turns from Soundview Avenue during school year at arrival and dismissal times would support and improve the changes West Homer Elementary has already made, and most importantly help prevent a tragic incident.

Plans & Progress: A request for a traffic study and solution by the West Homer Elementary Site Council, supported by the Principal and Homer City Council was submitted to the State in early 2019. Currently, the Alaska Department of Transportation has infrastructure in place that operates flashing yellow light. A possible solution is for that existing infrastructure to support a programmable traffic light to provide a green arrow for the left hand turn onto the highway during very predictable heavy traffic times. Other school zone improvements could be planned and implemented during the State's plan for Sterling Highway Milepost 169-175 Pavement Preservation Project and Pedestrian Safety Upgrades.



Students attending West Homer Elementary School walk to buses on the first day of school in 2019. A new traffic system, designed to ease congestion on Soundview Avenue and the Sterling Highway has children boarding buses at the back of the school. (Photo courtesy of Michael Armstrong/Homer News.)



West Hill Road Bike Lane

Project Description and Benefit: This project creates a bike lane on West Hill Road.

West Hill Road is one of Homer's key arterials, connecting scores of residential properties to downtown Homer. There is currently no safe provision for non-motorized traffic; pedestrians and bicyclist must take their lives into their hands by riding on the road. Traffic on West Hill Road is growing as several new residential subdivisions are being developed, compounding the risks.

The subject project is conceived as one lane for non-motorized traffic on both sides of West Hill Road. Some drainage work within the right-of-way would be required to properly direct storm water runoff to catchment basins and adjacent roadside ditches.

Plans & Progress: The need for a non-motorized transportation element on West Hill Road was identified in the 2021 Update to Homer's Non-Motorized Transportation and Trail Plan. This project also aligns with transportation goals articulated in the City's Comprehensive Plan.





Projects Submitted by Other Organizations

The City of Homer supports the following projects for which local non-profit organizations are seeking funding and recognizes them as being of significant value to the Homer community:

- **Homer Hockey Association:**
Keven Bell Arena Parking Lot Lighting
& Flooring Replacement53
- ~~Homer Senior Citizens Inc.:~~
~~—Alzheimer's Unit~~54
- **Homer Trails Alliance:**
Diamond Creek Recreation Area Trails55
- **Kachemak Nordic Ski Club:**
Rogers Loop Trailhead Storage Shed.....56
- **Kachemak Shellfish Growers Association:**
FLUPSY & Otter Predation Assistance57
- ~~Kachemak Ski Club:~~
~~—Homer Rope Tow Access & Equipment Upgrades~~58
- **Pratt Museum**
Roof System Replacement Project.....59
- **South Peninsula Hospital:**
Childcare Facility for Hospital Employees60
- **South Peninsula Hospital:**
Expansion of Medical Services.....61

FY 2027 - DRAFT Document



Homer Hockey Association: Kevin Bell Arena Lighting & Floor Replacement

Project Description and Benefit: The Kevin Bell Arena was constructed in 2005, with initial funding from grants associated with the 2006 Arctic Winter Games combined with a loan from English Bay Corporation/Homer Spit Properties. Homer Hockey Association (HHA) has successfully operated the Arena since its opening. HHA has met operating and capital acquisition costs with a yearly budget of \$300,000 to \$375,000. HHA is seeking financial support to replace six parking lot light poles with fixtures and the interior rubber flooring of the facility. The exterior light poles have been in use since 2005 when the facility opened. Over time, the harsh marine environment has caused corrosion and wind damage to the lights. The parking lot lighting is essential for visibility and safety during the winter months, when the rink provides programming for the general public and school groups. The rubber flooring has also been in place for 20 years. This flooring is installed in the locker rooms and high traffic common areas of the facility. After two decades of high use, the flooring is showing its' age with brittleness of the tiles and thinning of the material.

HHA's mission is to cultivate on-ice recreation of all kinds, for all ages, on the Lower Kenai Peninsula. HHA has been accomplishing this mission for more almost two decades as one of the few non-profit, volunteer run ice rinks in the United States. Volunteers contribute an estimated 14,000 hours annually, representing a huge commitment of time and effort by our community. Over the years, programs have been expanded to include activities for all: figure skating, broomball, curling, hockey for all ages and abilities as well as frequent community and school skating events. KBA is also home ice for the Mariner-High School Co-Op Team with includes players from all the secondary schools on the southern Kenai Peninsula.

The Kevin Bell Arena hosts numerous games, tournaments and events that bring commerce to the City of Homer. This is especially important during the winter when tourism and occupancy rates are low. HHA hosts several separate youth and adult hockey tournaments totaling approximately 150 games each year. In 2022-23 these games brought over 1,740 out of town players to Homer, accompanied by family and fans that contributed to the local economy through lodging, transportation, dining, and merchandise purchases.

Plans & Progress: HHA has received quotes of \$29,040 for the light purchase and \$30,250 for the floor replacement. The repairs will enable the Kevin Bell Arena to remain a safe and well-maintained facility for public recreation. It is imperative that our rink continue to operate for the health and welfare of the diverse community we serve. With excessive screen time and the rise in childhood obesity, accessible and affordable recreation remains a cornerstone of the mental and physical health of communities everywhere. HHA has done our best to keep the Kevin Bell Arena open as a safe place for kids, families, and community members to come together to exercise their minds and bodies.

HHA has an active and committed Board of Directors and membership base. The volunteer hours are leveraged by several successful fundraisers, sponsorships and advertising campaigns, grant awards and donations each year. This covers approximately one half of the annual operating and capital expenses. The remaining expenses are covered by user fees. However, repairs of this cost are outside of the scope of our annual operating budget.

Total Project Cost: \$59,290



Christmas Eve public skate at Kevin Bell Arena is well attended.



Homer Senior Citizens Inc. Alzheimer's Unit

Project Description & Benefit: Seniors are the fastest growing population for the State of Alaska. Homer is projected as the city in the State which will see the second most significant growth in this demographic. Homer Senior Citizens operates a 40-bed assisted living facility. We have had to relocate four seniors from our community due to Alzheimer's disease in the past four years. Losing one senior a year is unacceptable as it tears away the fabric of our community. Most of our seniors have families remaining in the Homer community.

To maintain the health of a senior, a full continuum of care is required. Maintaining physical, mental, and social capacity supports the dignity of our most vulnerable adults. HSC Alzheimer's Wing has been a strategic priority for the Board of Directors to keep our seniors' home in the community. We will not need a certificate of need for this project.

The Alzheimer's Wing will include fifteen beds and 24/7 care. Additionally, we will include a memory care program to maintain the existing cognitive capacity. Specific features for therapy pool and activities room which will be open to all seniors 55 and older. The activities room will be stage 2 of the project and will incorporate low-impact exercise equipment to maintain senior's physical capacity. This also opens the possibility to contract with South Peninsula Hospital for use of the therapy pool for other age groups benefiting the entire population of Homer.

We will be holding many fundraising events to secure the match for foundation grants. We have identified three foundations which funds for this type of project are acceptable. One of the priorities for scoring of the grants is Capital Improvement Plan designation.

Operating funds will be secured from "fees for service;" room and board; billing for Physical Therapy in both the therapy pool and the exercise program in the activities room (once stage 2 has been completed); and fees for contracted space for equipment and pool.

Plans & Progress: HSC has met with Hydro Worx to incorporate the Therapy Pool with the Alzheimer's Unit. Projected 5-year profit will be approximately \$1,508,600. This does not include contractual arrangements with third party vendors.

We have been actively fundraising for the Wing for many years. Fundraising activities include our Annual Alzheimer's Fundraiser at the Second Star Mansion with a live concert by a Chicago Jazz Band led by Tim Fitzgerald. To date we have accumulated a total of \$99,550 in fundraising for this valuable project.

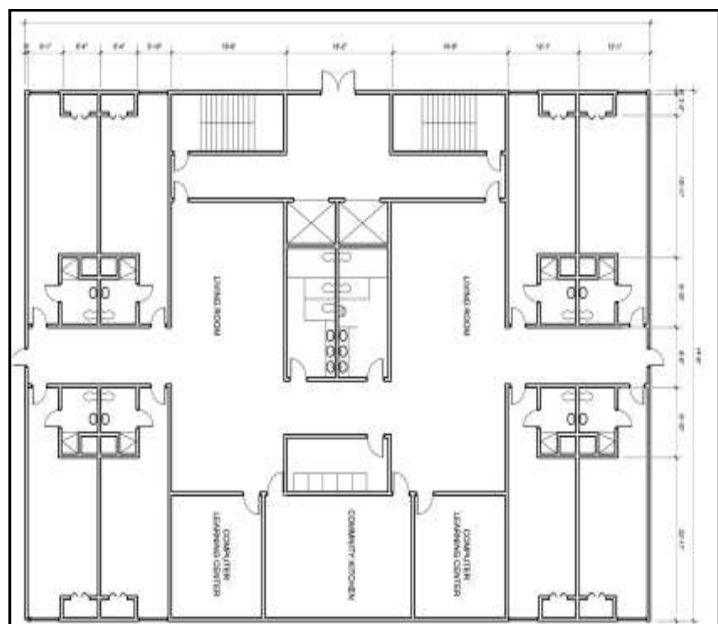
We will be working with the architectural firm to develop a new plan for the wing to be located in The Terrace existing space.

Total Project Cost: \$750,000

HSCI'S Executive Directed requested this project be removed from the CIP because they are now focussing on restroation of their current facilities, not new facilities.



Example of a HydroWorx Therapy Pool Room .



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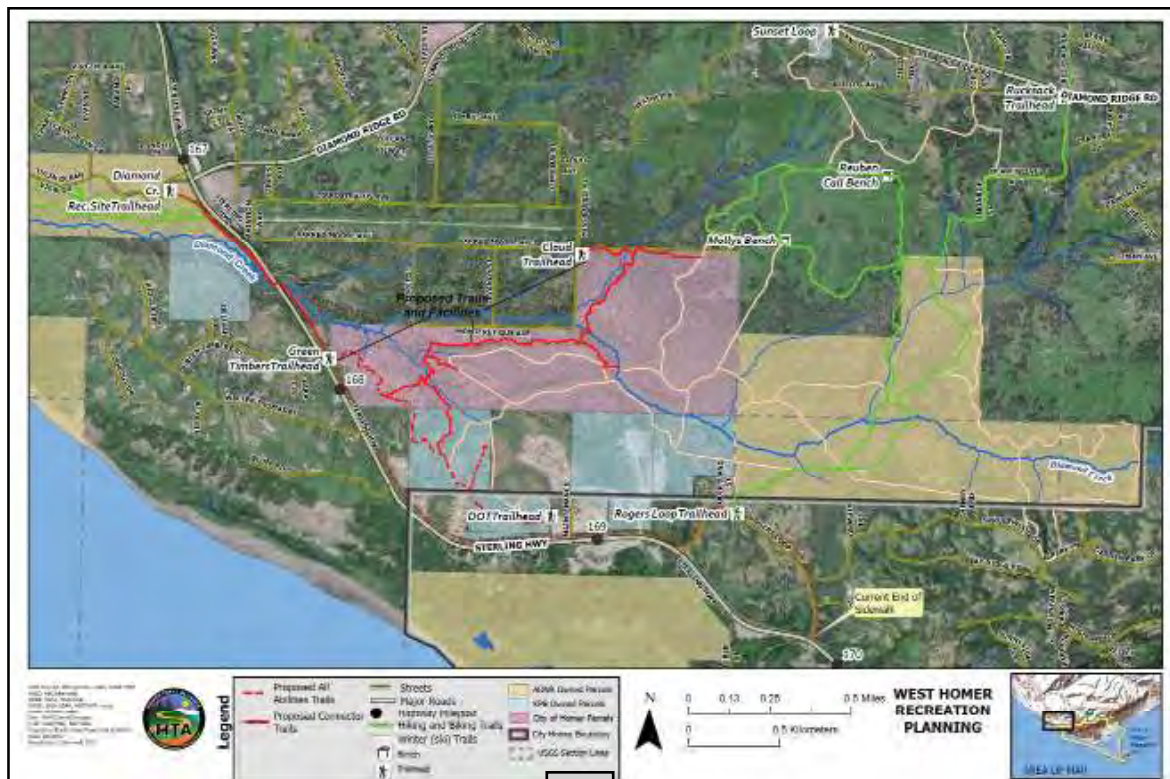
Homer Trails Alliance: Diamond Creek Recreation Area Trails

Project Description and Benefit: This project develops summer trails linking the “forested islands” throughout the Diamond Creek Recreation Area (DCRA). These trails are part of the Diamond Creek Recreation Area Resource Management Plan which was prepared by Homer Soil and Water Conservation District and adopted by the City of Homer in 2013.

Recently installed trail counters at the Rogers Loop Trailhead indicate an immense demand for a summer use trail system on the north shore of Kachemak Bay. During peak summer months, 700 hikers per week visit the Baycrest and Homestead trail system via the Rogers Loop Trailhead. During winter months over 1000 skiers and snowshoers per week use this access. The current growth rate of the surrounding residential areas indicates that these numbers are on the rise. It has been documented that for every \$1 spent on trail development, up to \$3.40 is returned in benefits. In addition to economic benefits, communities with a robust trail network experience higher levels of physical and mental health, lower healthcare costs, and an overall greater sense of community involvement and well-being.

Plans & Progress: Over 4 miles of proposed trail has been mapped including a mile of all abilities trail linking the southwest corner of the DCRA across from Green Timbers Road at MP 167.9 to the Alaska Department of Transportation Trailhead at Milepost 168.9 of the Sterling Highway. As proposed in the 2013 management plan, trailheads have been designed at two locations along the west border of the DCRA. In 2024, the City of Homer dedicated \$25,000 for the preliminary design of a Sterling Highway underpass for the Diamond Creek Trail. In May of 2024, HTA contracted Jon Underwood of the Fairbanks based trail design and construction firm Happy Trails to conduct a study of the proposed development within the DCRA. In August 2025, the City appropriated an additional \$250,000 for the development of a trailhead and trails segment on the east side of the Sterling Highway from Green Timers to a pedestrian underpass at Diamond Creek in accordance with the DCRA Trails Plan, provided ADOT&PF approves a pedestrian underpass as part of their Sterling Highway reconstruction project and affected property owners agree to create trail easements.

Total Project Cost: \$200,000





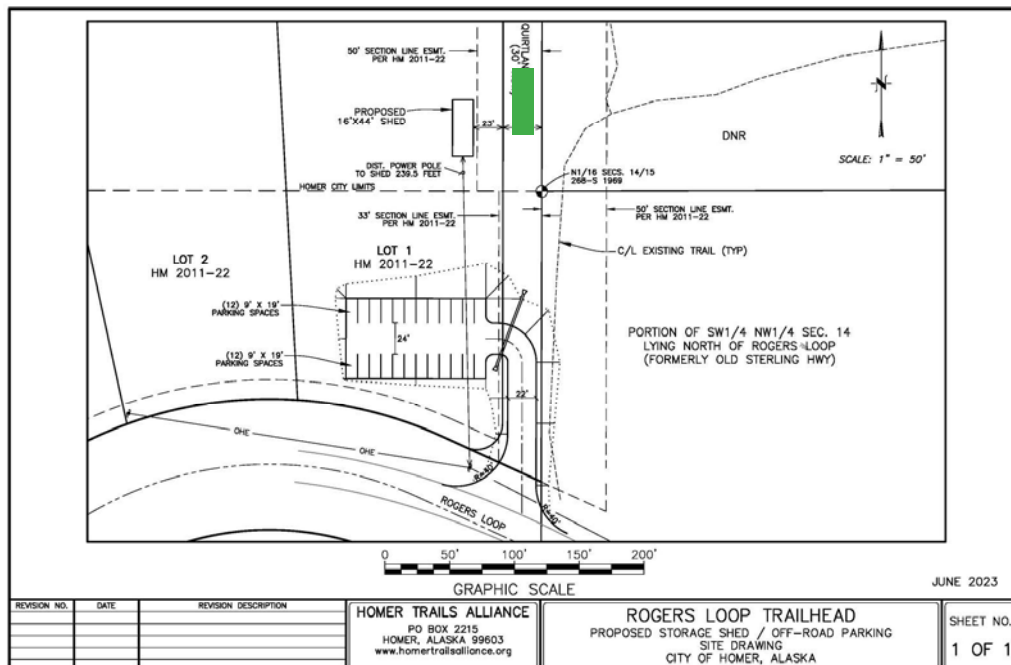
Kachemak Nordic Ski Club: Roger's Loop Trailhead Storage Shed

Project Description and Benefit: This project builds 24 foot by 28 foot building on a City of Homer owned parcel at the Rogers Loop Trailhead to accommodate Kachemak Nordic Ski Club grooming equipment for Lower Baycrest ski trails. Currently the equipment is kept outdoors at a private home adjacent to the ski trails. General maintenance and machine repairs must occur outside, or the equipment is trailered to a suitable indoor location. This shortens the working lifespan of the equipment, as storage outside does not allow the snow and ice buildup within the machine to melt in-between uses. Sometimes, trails cannot be groomed because of maintenance needs or frozen equipment issues. The building will alleviate these concerns by providing a heated, indoor space that is accessed from public property. This will allow for quicker repairs, longer lifespan of the equipment, and a secure place to house tools and machine parts.

The community of Homer benefits by having a better skiing experience on trails that are consistently maintained. It is a cost savings to the community in that KNSC will not have to raise membership fees to cover the cost of the additional maintenance and shortened lifespan of this equipment that is kept outdoors. It is also a volunteer cost benefit in that it makes it easier to be a KNSC volunteer when they have working equipment. Well maintained equipment means better grooming which means a better ski experience for all users. Baycrest is the last of the four KNSC trail systems to have a building for the storage of grooming equipment.

Plans & Progress: The site plan, shed design, and permitting are complete. The helical pile foundation was installed in the fall of 2024 and building construction began in 2025 utilizing volunteer labor, grants and donations. "Rough-in" of the building has been completed. The interior work including insulation, drywall, electrical, flooring, and mechanical is planned for 2026, subject to the ability to raise the necessary funding. The other remaining expense will be the electrical power hookup. Homer Electric Association estimates this to cost over \$27,000. Kachemak Nordic Ski Club finalized a Recreational Use Agreement with the City of Homer to build and operate the storage shed..

Project Cost: To date the KNSC has spent nearly \$42,000 on the project and seeks \$27,000 to complete the building and \$20,000 to extend electrical service for a total of \$47,000.



Location of the storage shed shown in green.



Kachemak Shellfish Mariculture Association FLUPSY & Otter Predation Assistance

KSMA has not yet provided update.

Project Description and Benefit: Since 1994 Kachemak Mariculture Association (KSMA), a 501c5 organization, has steadfastly upheld its primary mission of assisting shellfish growers in Kachemak Bay to establish an economically sustainable oyster industry. Today through its close partnership and rental lease with the Kachemak Shellfish Growers' Coop (KSGC), local aquatic farms are providing jobs for processing, marketing, and shipping live oysters for the half-shell market, and retail sales from KSMA's processing facility. This lease to the Coop also includes a portion of the facility to grow out oyster larvae which has been successfully grown and sold to member farms and farms outside of Kachemak Bay for the last ten years.

To date the small hatchery continues to set millions of seed every year. Once the seed is large enough, the "spat" can then be transplanted into the nutrient rich waters of Kachemak Bay, and a critical piece of equipment then comes into to play. This piece of anchored equipment is called a FLUPSY, an acronym for Floating Upwelling System. The microscopic spat need six months to a year a year to grow to size large enough to be transferred to the permitted aquatic farm sites for final grow out. Great amounts of time and expensive labor is needed to clean and grade the spat during the time they are in the FLUPSY. KSMA's FLUPSY is over 23 years old and in great disrepair due to age and the harsh marine environment. The FLUPSY is poorly anchored, a vandalism target, and needs new operational & safety equipment along with DEC-compliant floatation, and covered, lockable dry storage for tools and laborers' needs.

In addition, the federally protected sea otter population in Kachemak Bay has exploded in recent years. The otters have learned how to gain access to a new food source, oysters, by tearing into the mesh lantern nets that have been the industry standard of growing suspended cultured oysters for the last 32 years. The farms now need to use coated 16-gauge wire cages, at a substantial increase in cost.

Alaska's Comprehensive Economic Development Strategy has prioritized mariculture development for many years. Now is a critical time to move mariculture in Kachemak Bay ahead. The economic benefits of this oyster industry in Homer are great. Oysters have become a sparkling year-round staple to Homer's seafood options for locals and tourists alike. The local hatchery and a new, safe state-of-the-art FLUPSY can also provide a viable educational lab for high school and university students. Mariculture courses can further be developed around aquatic farming opportunities including the raising of sea vegetables and kelp.

Plans and Progress: KSMA is working closely with the Kenai Peninsula Economic Development District (KPEDD) to secure grant money to build a new FLUPSY to benefit the Kachemak Bay farmers and other in-state farms. The cost to secure pile driven anchoring piles, update the present electrical system, and locally build a new FLUPSY is estimated to be \$750,000. Additionally, KPEDD is aware and supportive of financial assistance to purchase, in bulk, hundreds of coated 16 gauge wire cages for each farm. The price tag for this new system is currently being researched and discussed by the mariculture community, but is estimated at a minimum \$50-\$75/cage.

Total Project Cost: \$750,000 - \$950,000



Left: Oyster spat ready to sell to growers. Right: FLUPSY bins taken out of the water. Spat in the right bin have been cleaned, sorted, graded and counted.



KSC has asked to remove this project; they have built a couple of park

Kachemak Ski Club: Homer Rope Tow Access & Equipment Upgrades

features and have not reached easement agreement. They have proposed a new project.

Project Description & Benefit: The Kachemak Ski Club was founded more than sixty years ago to operate a rope tow just off Ohlson Mountain Road near Homer. Our founders wanted to get Homer kids out of the house on the weekends and it is no different today. Over the years, this historic public recreational treasure has hosted thousands of downhill sports enthusiasts, family and social gatherings and also has served as a venue for snow sports safety instruction.

This project improves the safety of skier access to the area, as well as the skier experience on the slopes, making it more welcoming for youngsters and newcomers. It relocates and refurbishes the hill's aging electric bullwheel at the top of the hill. It grades the upper towpath to lower the rope's haul angle, to diminish the physical strain on skiers riding to the top of the hill. It also purchases a portable rope tow device that can be positioned on the lower, more gently sloping part of the hill. This will increase the number of skiers who can be accommodated on busy days and improve access and skill development for new riders. It will also be used for snowsport instructional classes and special events, leaving the main rope tow open for other riders.

To augment natural features and offer entertaining challenges for more advanced skiers and snow boarders the project seeks to acquire terrain park features. These would include brushing and mulching a gully next to the entrance trail to the lodge, thus creating a natural 'half-pipe' type feature. Also planned: creation of two mid-mountain earthen 'table tops' for jumps and aerial maneuvers for advanced skiers and snow boarders.

Plans and Progress: The Homer Rope Tow recreation area is separated from Ohlson Mountain Road by private land, but has legal access via a Section Line easement. A circuitous quarter mile long trail connects the road to the hill, avoiding several structures that encroach into the easement. To make access safer, Kachemak Ski Club is developing a shared parking area with Homer's Snowmads snow machine club, directly across Ohlson Mountain Road from the Section Line entrance point, on Kenai Peninsula Borough lands. This new, expanded parking area minimizes the safety risks of double parking on Ohlson Mountain Road and dispersed pedestrian traffic in the roadway that has occurred during crowded weekends. KSC has already cost-shared an expansion of the pre-existing Snomads parking lot at the Watermelon Trailhead in 2022. And also paid to have a sizable new area brushed and mulched, serving as a primitive frozen earth parking lot during the 2022-2023 season.

While alternative grant funds and KSC cash reserves will likely be used to complete additional grading and gravel work on the parking area's construction to harden it for year-round use, additional funds will be needed for new signage and security features such as fencing and gates.

Total Project Cost: \$90,000

Parking/access improvements: \$15,000

Relocation of Bull Wheel & Slope Grading: \$40,000

Equipment (auxiliary rope tow & terrain park features): \$35,000



Youth enjoying Homer's own downhill ski area.

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Pratt Museum: Roof System Replacement Project

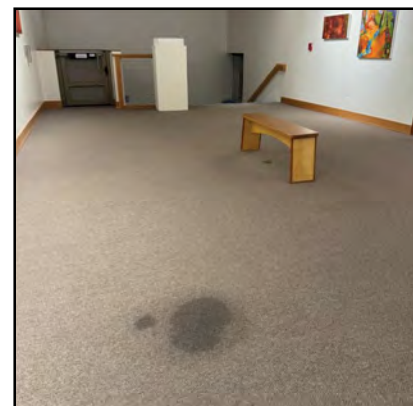
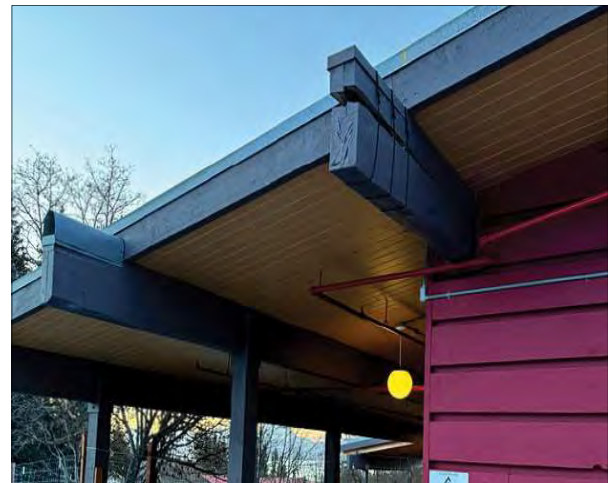
Project Description and Benefit: This project replaces the 9,134 square-foot roof for the facility that the Pratt Museum occupies. While recent renovations focused on other critical upgrades including facility-wide Americans with Disabilities Act (ADA) compliance and collection stewardship considerations, the replacement of the roof system was not addressed. To sustain the Museum's commitment to the community, the roof system replacement project can no longer be put off. Each gallery contains multiple water-collection buckets and at times water drips and splashes on the exhibits and display cases. Leaks also occur over the new elevator and in office spaces equipped with computers and electronics. The routine maintenance of the roof during the winter is a health and safety issue given that the roof needs to be hand-shoveled every time it snows. This project is critical to forging a sustainable path forward, preserving the history and culture of the community for future generations.

The award-winning Pratt Museum is dedicated to the exploration of people and place in the Kachemak Bay region, one of the richest biological and cultural crossroads in Alaska. Built as Homer's centennial project in 1968, the Pratt has become one of the nation's leading community museums. Partnerships with prestigious national entities such as the National Park Service and the Smithsonian Environmental Research Center have propelled the Pratt's exhibits and programs far beyond the Museum's walls. And grant awards from the nation's leading museum, arts, and humanities institutions have underscored the groundbreaking work of this small museum, which has always been a source of pride for the local community. The Pratt is the community's living room, classroom, and place for sharing, helping make Homer a better place to live, work, and play.

Plans & Progress: The roof replacement project has undergone many starts and stops. Over the years the Pratt Museum has consulted with engineers and roof specialists. In 2007 and in 2019, engineers and roof construction specialists recommended a full replacement. In 2019, utilizing condition surveys of 2007 as a baseline, Roof Construction Services and Schneider Structural Engineers generated a project manual, infrared reports, detailed images of the roof's current condition, and a full design and cost estimate for the full replacement, which was again updated in 2024. The plan is to remove the granular surfaced modified, built-up roof system, all insulations and underlying plywood, flashings, and trim metals, and install a new 3-ply modified membrane roof system including new base sheet installed over a new 3/8-inch plywood substrate installed over the original tongue & groove wood roof deck, new high thermal insulation, new perimeter edge metal detailing, new gutters and downspouts and all associated accessories.

The project will need to proceed in phases. Museum Board and Staff will carry out Phases I-II, fundraising and applying for financial support from the City of Homer, State Legislature and the Alaska Congressional Delegation. In Phase III, all design and construction documents will be updated and the bid process will begin. Phase IV will include construction and completion.

Total Projected Cost: \$1,362,481



Cracked beam ends (above) are held together with bindings. Galleries experience leaks; bucket are used to catch the leaks.



South Peninsula Hospital: Childcare Facility for Hospital Employees

Project Description and Benefit: South Peninsula Hospital is a 501c3 non-profit community hospital in Homer, Alaska. Serving a population of about 15,000, SPH operates the only hospital on the southern Kenai Peninsula, as well as two primary care clinics, a home health program, a 28-bed nursing facility, and numerous specialty clinics. As the only hospital in the region, SPH is classified as a “critical access hospital,” a federal designation aimed at improving access to healthcare in rural communities. SPH is also the largest employer in the region.

Alaska, like rest of the nation, is experiencing a childcare emergency. Locally, SPH is facing critical barriers to recruitment and retention of healthcare workers due to lack of childcare availability. The ability to attract and retain medical workers is essential to ensuring that SPH can continue to meet the growing needs of our region. In order to address this barrier, SPH is establishing a licensed childcare center for children of hospital families. Located in 4,100-square foot owned building just four blocks from the hospital campus in Homer, this SPH-owned center will support 60-70 kids, have hours aligned with hospital shifts, and address our employees’ inability to find high-quality, licensed care. Our goal is to provide the highest quality care to the children of hospital families to reduce barriers to recruitment and retention of SPH healthcare employees and to ease the stress and burden on the SPH workforce so that they can focus on serving the medical needs of our population.

The new SPH childcare facility will have positive ripple effects across the region. The facility will tangibly add to the limited childcare infrastructure on the lower Kenai Peninsula and will increase the capacity of the childcare workforce through professional level training, wages, and opportunities.

Plans & Progress: SPH is well into the developmental phase of this project. SPH has hired a childcare administrator who is developing policies and procedures and collaborating with licensed centers across the state to become familiar with the licensing process. Capital improvements have also begun. Interior demolition is underway, making way for wholesale renovation of the 4,100 square foot facility. As of July 2024, plumbing and electrical demolition has started. Interior renovations of classrooms and communal spaces will follow completion of the permitting process. Interior furnishing orders have also been budgeted and approved for the ordering process. The childcare center will ultimately employ 15+ early childhood educators in market competitive, benefited positions.

Preconstruction is funded and complete. To date, \$210,000 of construction costs have been secured from thread Alaska, the South Peninsula Hospital Foundation, and the Alaska Hospital and Healthcare Association. An additional \$835,000 is pending, and SPH is working to raise another \$100,000 or more in charitable support. SPH anticipates opening the facility in December 2024.

Total Project Cost: \$ 1,223,278

Pre Construction cost: \$ 9,000

Construction cost: \$ 1,214,278



Site of the new Childcare Facility.



South Peninsula Hospital: Expansion of Medical Services

Project Description and Benefit: South Peninsula Hospital is a 501c3 non-profit community hospital in Homer, Alaska. Serving a population of about 15,000, SPH operates the only hospital on the southern Kenai Peninsula, as well as two primary care clinics, a home health program, a 28-bed nursing facility, and numerous specialty clinics. As the only hospital in the region, SPH is classified as a “critical access hospital,” a federal designation that is designed to improve access to healthcare in rural communities. In order to meet the changing medical needs of the region, SPH is embarking on a strategic project to expand medical services. The goals of this project are to:

- Develop a new nuclear medicine department. Nuclear medicine is a specialized area of radiology that has been the standard of care for diagnosing illnesses and disorders related to heart health, neurology, and cancer for more than 30 years. The addition of this medical capacity will improve patient care by increasing the ability of SPH providers to detect certain cancers, find abnormalities in kidneys and bones, and identify and treat many other medical conditions, including chest pain, the most common symptom for which patients seek emergency medical care. Currently, patients must travel more than 75 miles to obtain this important diagnostic information, creating a dangerous gap in service.
- Double the capacity of the SPH Oncology & Infusion Department. The Oncology and Infusion Department treats patients with cancer, the leading cause of death in the region. SPH has experienced a 139% increase in patient volumes in recent years. By doubling the capacity of this department, this project will meet increased demand for care, reduce wait times, improve patient experience, reduce emergency response time, and improve communication and safety.
- Upgrade SPH pharmacy to meet new regulations. This project will relocate, modernize, and expand SPH’s existing pharmacy to meet recent regulatory upgrades. These improvements will include an upgrade to environmental controls, expansion of compounding facilities, increased safety and security measures, and improved workspace. The goal of this effort is to meet new regulations, improve patient care, and increase employee safety.

Plans & Progress: SPH is in the planning phase of this project. The hospital has already received a Certificate of Need from the State of Alaska, critical approval before moving forward. Initial planning and budgeting have taken place. A bond measure estimated to cover 80% of project expenses will go to voters in the fall of 2024. SPH is currently seeking additional funding to defray remaining expenses. The project is anticipated to be complete in December 2025.

Total Project Cost: \$12,000,000

Preconstruction cost: \$ 850,000

Construction cost: \$11,150,000



South Peninsula Hospital.



Capital Improvement Long-Range Projects

The following projects have been identified as long-range capital needs but have not been included in the Capital Improvement Plan because it is not anticipated that they will be undertaken within the six-year period covered by the CIP. As circumstances change, projects in the long-range list may be moved to the six-year CIP.

Local Roads

Fairview Avenue – Main Street to East End Road: This project provides for the design and construction of Fairview Avenue from Main Street to East End Road. The road is approximately 3,000 linear feet and the project will include paving, water and sewer mains, stub-outs, storm drains, and a sidewalk or trail. The project extends from the intersection of Main Street to the Homer High School, and finally to East End Road, and will provide an alternative to Pioneer Avenue for collector street access east/west across town. This roadway would benefit the entire community by reducing congestion on Pioneer Avenue, the major through-town road, and would provide a second means of access to the high school. It would also allow for development of areas not currently serviced by municipal water and sewer.

This improvement is recommended by the 2005 Homer Area Transportation Plan. Necessary right of way has already been dedicated by the Kenai Peninsula Borough across the High School property.

Cost: \$1.75 million

Parks And Recreation

North Beluga Lake Trail System:

The North Beluga Lake Trail will provide a wide gravel pathway from Ben Walters Park east along the City sewer easement, along the north side of Beluga Lake, connecting to the Calvin and Coyle trail, and eventually reaching East End Road near Kachemak City.

The completed trail system will connect Paul Banks Elementary School, the Meadowood Subdivision, and other subdivisions and residential areas to Ben Walters Park. It will additionally provide hiking, biking, and wildlife viewing opportunities around around Beluga Lake. In addition, it will provide an important non-motorized transportation route. This approximately 2.5-mile trail may be completed in phases.

Cost: North Beluga Lake Trail—\$1.5 M



Capital Improvement Long-Range Projects

Port & Harbor

Deep Water Dock Expansion, Phase 1: Upgrades to and expansion of the Deep Water Dock Expansion will boost Homer Port & Harbor cargo capability. The City has a 30-acre industrial site at the base of the dock which can support freight transfer operations and serve as a staging area for shipping to and from the Alaska Peninsula, the Aleutians, and Bristol Bay. Handling containerized freight delivery to the Kenai Peninsula would reduce the cost of delivering materials and supplies to much of the Peninsula. Dock improvements will also fulfill a contingency planning requirement under Homeland Security provisions. The Port of Alaska, through which 90% of the cargo for the Alaska Railbelt areas and the Kenai Peninsula passes, is vulnerable. If the Port of Anchorage were to be shut down and/or incapacitated for any reason, Homer's port would become even more important as an unloading, staging, and trans-shipping port. A \$1,250,000 feasibility study was completed in September 2016.

Cost: Cost estimates are \$1,750,000 for design and \$32,000,000 for construction.

Harbor Float System 5 Redesign: System 5, built in 1988, moors large industrial vessels within Homer's Small Boat Harbor. Over the years, as the number and size of large vessels has grown, the System has been used at and beyond its engineered capacity. System 5 will have to be replaced within the next ten years. In the next three years, the City will be conducting a US Corps of Engineers General Investigation into building a new harbor basin dedicated to these large vessels. Once constructed, the large vessel fleet will move off System 5, freeing up the area around System 5 (approximately 20% of the small boat harbor) to be redesigned. A newly designed System 5 will better accommodate the needs of the many small vessels on the harbor stall wait list and help define the maximum benefits of building the large harbor expansion. Conceptually, System 5's main float could be built closer to the bank and extend further toward the harbor entrance with a Tee out provide more moorage than the current system. This would also provide the option to prioritize the use of the float closest to the harbor entrance for vessels needing that kind of access (such as a Coast Guard small boat station, water taxi pickup and drop off, and emergency medical transport vessels) and to explore upgrading the old commercial ramp near System 5 to a drive down float to meet the needs of small cargo vessels, passenger loading and commercial fishing vessels.

Cost: This project works with engineers to conceptually design options for System 5 and produce rough order magnitude cost estimates.

Old Main Dock Removal and Disposal: This project removes the old Main Dock from inside the Pioneer Dock facility, which is a derelict structure in the Port & Harbor, a safety hazard and potential liability for the City. The old Main Dock was the original ocean dock in Homer, built in 1965 at the time of the first dredging for the Homer Harbor. When the Main dock was no longer safe as a commercial pier in 2001, the City built the new Pioneer Dock around it, leaving the Main Dock in place. It has deteriorated to the point that it is unsafe even for an individual to walk on. This project removes and disposes of the structure in a method that satisfies safety and environmental requirements. Where possible, salvaged materials may be sold.

Cost: Unknown



Capital Improvement Long-Range Projects

Utilities

Water Storage/Distribution Improvements Phase 4 - Spit Water Line: The existing Homer Spit water line is 40 years old and constructed of 10-inch cast iron pipe. In recent years it has experienced an increasing number of leaks due to corrosion. The condition has been aggravated by development on the Spit resulting in increased load from fill material on an already strained system. This project consists of slip lining approximately 1,500 linear feet of water main to the end of the Spit. Slip lining versus replacing the line will reduce cost while ensuring an uninterrupted water supply for public health, fire/life and safety needs, and protecting economic activities on the Spit. Grant funds from the EPA allowed the City to complete project design in 2014.

Cost: \$400,000

Bridge Creek Watershed Acquisition: Bridge Creek Reservoir is Homer's sole water source; land in this area owned by the City is protected by a watershed protection district. The City seeks to acquire additional land for the district to protect the watershed from development that could threaten the water supply, and to ensure the availability of land for future water supply. Conservation easements may also be utilized to restrict development that is incompatible with clean water.

Cost: \$1,000,000

Alternative Water Source: Currently Bridge Creek Reservoir is Homer's sole water source. Population growth within the City, increased demands for city water from residents outside City limits, increasing numbers of tourists and summer residents, and climate change has reduced surface water availability. These factors demonstrate the need for a new water source to augment the existing reservoir. An alternative water source also builds redundancy into this essential life/safety municipal infrastructure, making it possible to serve town with treated drinking water and adequate fire protection in the event of contamination or earthquake damage to Bridge Creek Reservoir.

Cost: \$16,750,000

West Hill Water Transmission Main and Water Storage Tank: Currently, water from the Skyline water treatment plant is delivered to Homer via two transmission mains. One main (12-inch) is located along East Hill Road and delivers water to the east side of town. The other (8-inch) runs directly down to the center of town. A third transmission main is needed to deliver water to the west side of town, provide water to the upper West Hill area, and provide backup support to the two existing transmission mains. A new water storage facility is also needed to meet the demands of a rapidly growing community. The addition of a third water transmission main has been identified in comprehensive water plans for over 20 years.

Cost: Design—\$500,000 Construction—\$4.5 M

STATE PROJECTS

Ocean Drive Reconstruction with Turn Lane: Ocean Drive is a segment of the Sterling Highway connecting Lake Street with the Homer Spit Road. It sees a great deal of traffic, particularly in the summer, and has become a safety concern. Currently, a bicycle lane runs on the south side of Ocean Drive. However, it is common for vehicles to use the bicycle lane to get around vehicles that have stopped in the east-bound traffic lane to make a left turn, presenting a significant risk to bicyclists and pedestrians using the bike lane. Attendance at the Homer Farmers Market during the summer season contributes significantly to traffic congestion in the area. In addition, following complete streets design, this project creates a center turn lane, well-marked crosswalks, and a separated bike/pedestrian path to improve traffic flow on Ocean Drive and reduce risks to drivers, bicyclists, and pedestrians. The project will also enhance the appearance of the Ocean Drive corridor by moving utilities underground and providing some landscaping and other amenities.



Capital Improvement Plan Appendices

- CIP Development Schedule66
- Resolution 25-**XXX**67
- City of Homer Financing Assumptions69



Capital Improvement Plan Appendices

**CITY OF HOMER
2026-2031 CAPITAL IMPROVEMENT PLANNING PROCESS
&
FY 2027 LEGISLATIVE REQUEST DEVELOPMENT SCHEDULE**

ACTION	TIME FRAME
City Council Approval of CIP Planning Schedule	May 27, 2025
Solicit new/revised project information from City Departments, local agencies and non-profits	May 19, 2025
Input for New Draft Requested By	June 17, 2025
Prepare and Distribute Draft CIP to City Advisory Groups for Review and Input:	
Planning Commission	July 16
Economic Development Advisory Commission	August 12
ADA Advisory Board	August 14
Parks, Art, Recreation and Culture Advisory Commission	August 21
Port and Harbor Advisory Commission	August 27
Library Advisory Board	August 29
Administrative Review and Compilation	August 21 - September 5
City Council Worksession to Review Proposed Projects	September 8
Resolution on CIP - Legislative Request Public Hearing for CIP - Legislative Request	September 22
Administration Forwards Requests for Governor's Budget	September 29
Distribution of CIP and State Legislative Request	October 2026 - February 2026
Compilation/Distribution of Federal Legislative Request	March 2026



Capital Improvement Plan Appendices



Capital Improvement Plan Appendices



Capital Improvement Plan Appendices

City of Homer Financing Assumptions: Capital Improvement Program

Implementation of the City of Homer Capital Improvement Plan requires utilization of various financing mechanisms. Financing mechanisms available to the City of Homer include:

- Federal grants or loans
- State grants or loans
- General obligation bonds
- Limited obligation bonds
- Revenue bonds
- Special assessment bonds
- Bank loans
- Pay as you go
- Private sector development agreements
- Property owner contributions
- Lease or lease–purchase agreements

The use of any of the financing mechanisms listed above must be based upon the financial capability of the City as well as the specific capital improvement project. In this regard, financing the CIP should take into consideration the following assumptions:

1. The property tax cap of six-mill (at which point sales tax goes away) precludes use of this revenue source for major capital improvements. Available revenue should be utilized to fund operation and maintenance activities.
2. The operating revenue of enterprise funds (Port & Harbor, Water & Sewer) will be limited and as such, currently only fund operation and maintenance activities.
3. The utilization of Federal and State grants will continue to be significant funding mechanisms. Grants will be pursued whenever possible.
4. The 1½ percent sales tax approved by voters of Homer for debt service and CIP projects is dedicated at ¾ percent to sewer treatment plant debt retirement, with the remaining balance to be used in water and sewer system improvement projects, and ¾ percent to the Homer Accelerated Roads and Trails (HART) Program for building, improving and maintaining Homer's roads and trails. The annual budget will transfer a minimum of \$550,000 of the 3/4% dedicated sales tax exclusively for road and trail capital improvements and construction. The HART Program will require property owner contributions of \$30 per front foot for road reconstruction, with an additional \$17 per front foot for paving.
5. The Accelerated Water and Sewer Program will only be considered if the fund has a debt service of 1.25 or greater.
6. The private sector will be encouraged to finance, construct, and operate certain nonessential capital improvements (e.g., overslope development).
7. The utilization of bonds will be determined on a project-by-project basis.
8. The lease and/or lease–purchase of capital improvements will be determined on a project-by-project basis.



Proposed New Projects Table of Contents

City of Homer Nominated Projects

1. Water Treatment Plant Generator Connection
- 2.

Projects Nominated by Other Organizations

1. Kachemak Ski Club: Homer Rope Tow Night Skiing Project
2. South Peninsula Hospital: Long Term Care Roof Replacement:

FY 2027 - Proposed New Projects



Water Treatment Plant Generator Connection

Project nominated by the Public Works Director.

Project Description and Benefit: TThis project constructs an underground electric power cable of sufficient gauge to power the reservoir pump house operations from the existing WTP generator. This would require a new trench and underground electric wire in conduit for approximately 4,000 feet with junction boxes, a new transfer switch at the pump house, and some other minor electrical infrastructure. This project would be a benefit to the city during power outages, as it would allow another option and larger fuel tank supply for our operators to keep water treatment functions running smoothly.

Plans & Progress:

Total Project Cost: \$350,000

Schedule: 2027

Priority Level: 2

FY 2027 - Proposed New Projects



Kachemak Ski Club: Homer Rope Tow Night Skiing Project

Project Description and Benefit: The Kachemak Ski Club is arguably Homer's oldest non-profit organization and was founded more than seventy five years ago to operate a rope tow just off Ohlson Mountain Road near Homer. Our founders wanted to get Homer kids out of the house on winter weekends and have them receive a safe introduction to alpine snow sports. It is no different today. Over the years, this historic public recreational treasure has hosted thousands of downhill sports enthusiasts, family and social gatherings and also has served as a venue for snow sports safety instruction.

Historically, the Rope Tow offered night skiing, with expanded hours of skiing beyond the usual Sunday and occasional Saturday daytime openings. Sadly, during a low point of club membership and finances, the lighting fixtures and accompanying electrical hookups fell into disrepair and were abandoned over 25 years ago. A substantial increase in youth and family memberships occurred during the Covid pandemic, and a sustained surge in ridership has continued since then. During a strategic planning session two years ago, the KSC Board identified resumption of night skiing at the Rope Tow as an achievable priority goal to increase skiing opportunities for our members, especially for youth and adults to access the hill after-school or after-work hours one to two days per week.

Plans and Progress: A KSC board member with general contracting experience prepared the following cost estimate, which does not include in-kind/ volunteer labor costs: Five to six 150-200 lumen LED floodlights would be installed, divided between two at the top of the hill, one to two on an existing pole in mid-mountain and one to two at the base. These would provide illumination of the main northeast face of the ski slope, as well as the lodge/ loading area (which would be supplemented with lower intensity flood lighting as well). At least one new light tower would need to be installed on or near the Top House (Operator's Station) at the top of the rope tow.

KSC anticipates shouldering 10-20% of the project cost from savings reserves. Matching funds would be sought locally (from such sources as the Homer Foundation, 100 Homer Men/ Women Who Care), with the balance being sought from State of Alaska funding sources or Kenai Peninsula Borough pass-through funding from the state (CAP program grant).

Total Project Cost: \$40,500

LED Lights: \$15,000
Buried Cable/ Electrical Wiring: \$4500
New Light Tower/ Pole: \$1000
Electrical Connectors/ Control Panels: \$3000
Trencher/ Ditch Witch/ Brush Hog Rentals: \$2000
Electrical Contractor Services: \$15,000



FY 2027 - Proposed New Projects



South Peninsula Hospital: Long Term Care Roof Replacement

Project nominated by South Peninsula Hospital for Other Organizations Section.

Project Description and Benefit: South Peninsula Hospital is a 501c3 non-profit community hospital in Homer, Alaska. Serving a population of about 15,000, SPH operates the only hospital on the southern Kenai Peninsula, as well as two primary care clinics, a home health program, a 28-bed nursing facility, and numerous specialty clinics. As the only hospital in the region, SPH is classified as a “critical access hospital,” a federal designation that is designed to improve access to healthcare in rural communities.

In June 2025, SPH’s Long-Term Care (LTC) Facility earned a Silver Award from the American Health Care Association/ National Center for Assisted Living—one of 209 facilities across the U.S. to receive this recognition and the only one in Alaska to do so. Serving up to 28 residents, LTC offers around-the-clock nursing care in a residential setting. It is the only nursing home on the southern Kenai Peninsula, and SPH plans to expand the capacity of the facility over the next decade in response to the growing senior population in the region. SPH’s LTC facility enables loved ones to receive short term rehabilitation or long term care close to home. But an aging roof puts the facility at risk.

SPH’s LTC department—and the space below, which houses SPH’s new Seaside Women’s Care health clinic, a neurology clinic, and the rehabilitation department—was built through a 1999 hospital renovation. The 15,414 foot square asphalt shingle roof of the facility is now 25 years old—well beyond its useful life. Asphalt tiles are cracking and the roofing glue is failing. Water is now seeping into the roof underlayment and into the LTC facility itself—most recently into the communications room—putting additional hospital assets at risk of water damage.

An assessment by Architects Alaska that was completed in November 2024 ranked roof replacement as the highest priority, needing attention within the next year. The typical lifespan of an asphalt roof like the one above LTC is 15 – 20 years. Now is the time for SPH to replace the asphalt roof with rubberized EPDM roofing, to ensure resident and patient safety and wellbeing and the integrity of the hospital facility.

Plans and Progress: In 2024, Architect Alaska, in collaboration with engineering firm RESPEC, conducted a thorough facilities assessment of SPH that investigated the building’s infrastructure and systems, and recorded information regarding the building for general material condition, systems condition, code deficiencies, and functional effectiveness. The assessment ranked roof replacement as a top priority.

This project is shovel-ready. No engineering is required for this roof replacement. The cost estimate is based on a bid received for the project three years ago, with an escalation built in.

Total Project Cost: \$1,400,000



South Peninsula Hospital.



MEMORANDUM

To: Parks, Arts, Recreation and Culture Advisory Commission (PARCAC)
Through: Mike Ilg, Recreation Manager/PARCAC Staff Liaison
From: Daniel Kort, Public Works Director
Date: July 8, 2025
Subject: Karen Hornaday Park Trail

Background:

The City of Homer purchased 20 acres of land above Karen Hornaday Park with the intention of constructing a trail and preserving the steep slope property from development.

Discussion:

Draft Trails Financial Plan

The FY26/FY27 Capital Budget was passed via Ordinance 25-39(S)(A). The budget included \$250,000 of Homer Accelerated Roads and Trails (HART) Trails funds towards the construction of the Green Timbers Trailhead and Phase I of the Diamond Creek Trail Area (DCRA) trail. This \$250,000 will be used as matching funds for a potential Rasmussen Grant. There are anticipated to be five (5) phases on the project, and Phase I of the project has an anticipated cost of approximately \$500,000. The current HART Trails fund balance is approximately \$1,100,000, and therefore the request of \$250,000 of HART Trails funds for Phase I of the DCRA project represents approximately 25% of the HART Trails fund balance.

In response to the request for \$250,000 of HART Trails funds, the Public Works Department presented the City Council the draft of the Trails Financial Plan in an effort to layout the other planned trail projects within the City, so the City Council could see all of the other planned projects that are in the planning queue which are competing for the HART Trails funds. The intention of expediting the Draft Trails Financial Plan was so the City Council could weigh options and make the best decisions among the competing projects over the limited funding that is available within the HART Trails fund and prioritize projects.

Unfortunately, due to the rushed nature of the DCRA Trail project legislation, the draft Trails Financial Plan did not have the opportunity to be presented to PARCAC before being presented to the City Council. Therefore, we are using this opportunity to present this draft plan to PARCAC for review and comment.

Karen Hornaday Park Trail

As everyone is aware, the City of Homer has recently completed the purchase of the 20-acre parcel of property above the Karen Hornaday Park, with the intention to of constructing a trail on the property.

The Public Works Department has taken the position of reaching out to trail design professionals and engineers to conduct a formal design of this proposed trail due to the properties steep slopes. The following citations support the position of the Public Works Department:

- Homer City Code (HCC) section 21.44: This is the code section relating to construction near steep slopes and costal bluffs. This section is applicable to any construction on properties with an average slope of 15% or greater. This property has an average slope of approximately 25%, so it falls well within the jurisdiction of this code section. This Code section further states it's applicability "in any other location where the City Engineer determines that adverse conditions associated with slope stability, erosion, or sedimentation are present". The road that was built on this property is intended to be used for part of this trail. The construction of this road had historically caused slope instability, slope failure, and erosion which impeded the development plans for this property and had caused issues with Woodard Creek. This previous slope instability due to disturbance further justifies the application of this code to the development of this trail.
- Trail Design Criteria Manual: On February 9, 2009, the City of Homer adopted the Trail Design Criteria Manual. This manual references following the previously mentioned steep slopes code (HCC 21.44). The Manual further calls out "*required preliminary engineering and design drawings required to develop a trail as well as evaluation of subsoils the trail will be constructed upon*".

Memorandum CC-25-166 was drafted by Councilmembers Davis and Erickson and presented to the City Council in consideration of the establishment of a Low Cost Walking Trail Loop. The concept was presented as utilizing the existing, previously constructed road and game trails, and allowing the hikers to "wear in a trail", and to facilitate this effort, the City would flag the trail and provide navigational signs and warning signs for uneven terrain and wildlife. This Memorandum to the City Council is attached as a reference.

Memorandum CC-25-167 was drafted by the Public Works Department and presented to the City Council in support of the Departments' position of taking an approach of a formal design and construction of this trail system. Councilor Davis requested that a statement made suggesting the public would be used to remove alders from this trail be removed from Memorandum CC-25-166 before being presented to PARCAC because Memorandum CC-25-166 did not suggest using members of the public to remove alders from the trail. The Public Works Department acknowledged this and has struck out the statement because it this was not stated in the Memorandum, but was rather stated during verbal testimony prior to development of Memorandum CC-25-166. The revised version of Memorandum CC-25-167 is attached as well.

It was pointed out that the proposed trail alignment figure attached to Memorandum CC-25-166 had approximately 520-ft of trail that was not on City owned property. Councilor Davis acknowledged this, and submitted an alternative trail route which is additionally attached. Councilor Davis also reached out to the adjacent property owner (that owns the property the original proposed trail went across) and inquired on their willingness to grant the City of Homer a trail easement to build a trail upon their property. It was reported by Councilor Davis that the property owner was receptive to this idea. This area where the trail would be on an easement is just north of the area where the Karen Hornaday Campground encroaches onto this same private property.

Existing Conditions

The following identifies existing conditions on the property that concern the Public Works Department and further support the concept of hiring a trail consultant and civil engineering consultant in the process of designing a robust and sustainable trail.

1. The Road – The existing road was poorly designed and constructed which lead to the previous slope failures that were experienced. There are some existing slope stabilization features that were installed in locations where slope instability was observed. These are two photo's taken of retaining walls and one photo of mid-slope features that were intended to retain the slopes.



PHOTO 1: There are several locations where rebar was pounded into the soil and “roadway guardrail” was used at the toe of the upgradient cut slope along the roadway going up the hill to retain the slumping hillside from falling onto the road. This is not a generally accepted method of constructing a retaining wall (materials used or construction method).

- In some locations, the hillside has tipped the retaining structure over;
- Some locations have been engulfed by the retaining structure; and
- Other locations look like the photo above and are able to be photographed as constructed.



PHOTO 2: The photo above shows the same retaining wall shown in the previous photo that has been tipped over (leaning away from the slope) by the sloughing hillside and partially buried as well.



PHOTO 3: The above photo shows some mid-slope features, where pipe was driven into the downhill slope. These were installed below the road on the downhill slope where slope stability issues occurred. You can see the same guardrail materials were used in construction, however the rebar was not sufficient to retain the soils in this location, so pipe was used instead. While not totally apparent in this photo, these mature alders on this steep slope are leaning downhill due to the weight of the leaves at the crown of the trees. There is a distinct possibility that the weight of the alder crown, or in combination with an early snowstorm, will weigh these alders over, uproot them and allow them to move in a small landslide towards Woodard Creek. Other concerns are a poorly designed trail will allow stormwater to exasperate the hillsides natural tendency to move towards Woodard Creek.



PHOTO 4: The photo above was taken above the first abrupt switchback in the road. This is the location of a larger historical landslide and made a good location to turn the road when it was originally built. At this location there is a wonderful “tunnel” created by leaning alders. However, when you look closer, this tunnel of leaning alder was created by a recent landslide **(in the last year)** where these alders were relocated from the hillside above and fell onto the toe of the road. This “tunnel” feature did not exist last summer when reconnaissance was done on this property prior to City purchase. At this time, the Public Works Department was trying to determine how to access the City owned 10-acre parcel adjacent to the 20-acre parcel the City just purchased.



PHOTO 5: The photo above shows the uphill side of this landslide and the “tunnel” of alders. As stated earlier, these alders were not in this location during the Public Works Departments reconnaissance hike of this property a year ago when researching a potential trail route to reach the City’s landlocked 10-acre parcel above Karen Hornaday Park that adjoins to the newly acquired 20-acre parcel.

2. **The Trail along the road** – The trail currently being worn into the ground surface is fairly decent in dry conditions, however becomes soft and muddy during wet conditions. Refer to the following photos 6 and 7.



PHOTO 6: The photo of the trail above is well worn with very limited use since this is not currently a publicly advertised or signed trail by the City. Trail advocates have taken to hiking this trail during the time the City was working on purchasing this parcel. You can visually observe that very limited hiking has clearly defined a walking path in the former road bed without any intervention.



PHOTO 7: While difficult to make out in this photo above, you can see evidence on the right side of the road where a historical erosional channel had formed in the road bed. The photo does not capture it well, but this erosional channel is about 1-foot wide and 1-foot deep. This sort of erosion will continue to develop in locations where the defined trail from the previous photo is allowed to form on the road bed without engineered erosion control measures in place. Eventually this gully will become so deep that we lose the functionality of this road bed and we either have to repair the road bed, or relocate the trail. Further, if allowed to develop unchecked, this gully erosion will compromise the top of the slope above Woodard Creek and possibly encourage a larger sloughing event into Woodard Creek.

By taking an engineered approach to designing and building a trail, the City can avoid duplicating a scenario that is playing out at the Diamond Creek State Recreation Site where the trail down to the beach had experienced substantial erosion and ground subsidence where soil has eroded or fallen away from the hillside over time and into Diamond Creek causing the trail to be re-routed in response after a brief trail closure. If we take a more thoughtful approach to this new trail by “formally designing it”, the City stands the chance of having a more robust trail that sticks around longer. This is not to say that erosion and landslides will not eventually impact this trail, but rather taking a more thoughtful approach and minimize the human impact of trail development by “walking it into the land surface”.

From my understanding, the origin of the Trail Design Criteria Manual was because of the City's previous experiences with inherited "walked in trails" or trails that were constructed without any design criteria. This manual gave definition to what was expected in the development of trails within the City of Homer.

3. **Trail through Forest** – It has been proposed that the Public Works Department flag a path through the woods defining the return loop portion of the trail using existing game trails as much as possible, using signage and flagging to define the trail.

Memorandum CC-25-166 referenced the publication "Guidance for Managing Informal Trails" by American Trails (2019). I searched the internet for this reference in order to read it, and I was unable to locate this paper. However, I was able to find several other similar sources relating to the subject published by PhD researchers for the US Geological Service (USGS) and National Park Service (NPS) as well as several hiking and backpacking blogs and magazine articles.

The article that most closely aligns with the subject matter was the document written by a USGS Research Scientist entitled "Guidance for Managing Informal Trails" which was published by the same "American Trails" organization that was cited in the memorandum. This paper related more to hikers creating informal trails to special features that go off the designed formal trail. While not totally aligned with the proposal of intentionally developing informal trails, it speaks to the positive and negative impacts of these trails.

This paper states *"Unfortunately management experience reveals that informal trail systems are frequently poorly designed, including "shortest distance" routing with steep grades and alignments parallel to the slope. Such routes are rarely sustainable under heavy traffic and subsequent resource degradation is often severe."* It goes on to further state that *"informal trails that directly ascend steep slopes will easily erode and less acceptable than trails with a side-hill design, and informal trails that are prone to muddiness and widening are less acceptable, as are trails that may contribute soils to water resources"*. The currently proposed portion of the trail route that does not use the road, is routed directly downhill according to slope information from the Borough's GIS.

Memorandum CC-25-166 also suggests *"using existing paths, game trails, and new connectors across meadows – with posts or flags and installing signage."* While using game trails may be cost effective, papers and blogs in the Public Works Departments research suggest caution when utilizing game trails for the development of hiking trails. One consideration is the game trails have been developed over generations of animals transiting in the easiest and shortest pathway from one desirable location to another. The shortest pathway may be easily the route that is most susceptible to erosion.

Another consideration is these paths were created by generations of wildlife transiting from one location to another. Using these game trails will place hikers in direct conflict with wildlife (moose and bears). The paper cited in Memorandum CC-25-166 speaks about trails in Virginia where it's most likely they are using game trails made by whitetail deer, not moose and bears. While hiking moose and bear trails may be an acceptable risk for the seasoned Alaskan's who are "moose and bear aware",

it may not be as safe for tourists who are less familiar with the hazards. Signage stating “Moose in Area” or “Bear in Area” does not adequately make the trails safe for the “uninitiated”. Sight lines should be improved by clearing some vegetation so the hiker (seasoned Alaskan and tourist alike) can see the moose or bear before getting to close, as well as allow the moose or bear to see the approaching hiker and avoid them.

Summary:

The Public Works Department has taken the position that the Department is required to follow the same rules laid out in City Code and the Trail Design Criteria Manual, both which apply to any other property development or trail. The Public Works Department was concerned about the optics of exempting itself from following the Trail Design Criteria Manual and Steep Slope Code requirements while requiring other developments and proposed trails to follow the Manual and Code.

The Public Works Department will move forward with the proposed footpath trail as defined in Memorandum CC-25-166 if directed to do so by PARCAC and the City Council. Alternatively, the Public Works Department is prepared to research the costs and bring forward an Ordinance to design the Karen Hornaday Park Trail as either one large effort, or a phased approach of two phases, the first phase being the trail on the existing road and the second phase being the return loop of the trail network if directed to by the City Council. Immediately following the design would be an Ordinance in advance of issuing a construction ITB to build the new trail.

Attachment:

Memorandum CC-25-166

Trail Design Criteria Manual

<https://www.cityofhomer-ak.gov/planning/trail-design-criteria-manual>





MEMORANDUM

Consideration of a Proposal to Establish a Low Cost Walking Trail Loop above Karen Hornaday Park and Refer to the Parks Art Recreation & Culture Advisory Commission

Item Type: Action Memorandum
Prepared For: Mayor Lord and City Council
Date: May 25, 2025
From: Councilmembers Davis and Erickson

PURPOSE

Review and discuss a proposal to establish a low-cost walking trail loop on newly acquired city property above Karen Hornaday Park, and if there is support for the concept, refer it to Public Works for implementation, or the Parks, Art Recreation and Culture Advisory Commission (PARCAC) for further evaluation and recommendations.

BACKGROUND

The City's recent acquisition of property above Hornaday park offers an opportunity to enhance recreation by creating a walking trail loop, without requiring significant investment in formal trail construction, by utilizing and connecting existing informal paths and game trails.

The proposed trail would (see map):

- Start at the switchbacks on the old road at the east end of Karen Hornaday Park.
- At the northern edge of the new property, follow existing footpaths west along an adjacent city-owned lot.
- Descend via game trails along a ridge and through a meadow, returning to the park's west end near the campground.

As noted in a recent memo from Public Works (CC-25-152), people are already starting to use the new lot for hiking and recreation. Under the scenario we are proposing, City staff would offer hikers guidance to their walks by marking the desired route—using existing paths, game trails, and new connectors across meadows—with posts or flags and installing signage (e.g., “Undeveloped Trail – Use at Own Risk”). Certain areas may eventually warrant switchbacks or footbridges, and initial use by the public can help clarify those needs.

This approach, inspired by American Trails' Guidance for Managing Informal Trails (2019), has succeeded in places like Great Falls Park, Virginia, where unimproved trails (e.g., River Trail) use

existing paths with minimal intervention. Signage warns of hazards (e.g., uneven terrain, wildlife), and Virginia’s recreational use statute (similar to Alaska’s AS 09.65.202) limits liability.

RECOMMENDED ACTION:

If this course of action is acceptable to Public Works, implementation can begin immediately. If further input or review is desired, make a motion to refer the proposal to the Parks, Art, Recreation and Culture Advisory Commission (PARCAC) for evaluation and implementation recommendations.

Proposed Walking Trail Loop:





MEMORANDUM

To: Mayor Lord and City Council
Date: May 29, 2025
From: Daniel Kort, Public Works Director
Through: Melissa Jacobsen, City Manager
Subject: Karen Hornaday Park Trail

Background:

There is a proposal for City Staff to install flagging for a proposed rudimentary trail route using a combination of existing paths and game trails for a new trail network on the new City owned property above Karen Hornaday Park. The proposal suggests ~~using volunteers to cut~~**ting** vegetation and create a well-defined footpath similar to a Level I Trail as an inexpensive way to kick off a hiking trail into the newly acquired property rather than conducting a more formalized approach at developing a trail network.

Discussion:

We appreciate that trails enthusiasts are anxious to get out on a new local trail right in the heart of Homer, and we look forward to bringing that dream into fruition. The Public Works Department has been working toward a formal design and construction plan for a trail network on the newly acquired property above Karen Hornaday Park. The vision of this proposed trail by the Parks Division is for it to be a “scenic vista trail” that would complement both the Karen Hornaday Park and re-opened Campground. It’s a project we’d hoped to initiate this summer but with other projects vying for HART Trails fund it may likely be delayed.

Developing a rudimentary trail with volunteers removing vegetation raises concerns for staff because this City property is on a steep slope. Planning staff confirmed the lot has an average slope over 15% making it subject to the steep slope development standards in Homer City Code (HCC). HCC 21.44.030 Slope Development Standards explain that no development activity, including clearing and grading may occur before the issuance of zoning permit under Chapter 21.70.

HCC 21.03 defines that “Clearing” means the removal of trees and brush from the land, but shall not include the ordinary pruning of trees or shrubs or mowing of grass. Alders are already being cut down along the area.

Additionally, previous development activities including construction of the existing road/trail which is now overgrown with alder brush, had resulted in slope stability issues and landslides. This is the backbone of the existing planned trail. The cutting of alder along this route in combination with the development of a primitive trail, could allow previous slope stability issues to return.

The Public Works Department takes the conservative position that the City should follow HCC 21.44 because foot paths, trails and sidewalks fall under the definition of development in this section, and 21.70 for proper permitting. This will also provide for review and input from the Parks, Art, Recreation, and Culture Advisory Commission and possibly the Planning Commission.

Attachments:

Public Works trail concept
HCC 21.44

Kenai Peninsula Borough Assembly

MEMORANDUM

TO: Brent Johnson, Assembly President
Members, KPB Assembly

FROM: Tyson Cox, Assembly Vice President *TRC*
Brent Hibbert, Assembly Member *BH*

DATE: June 6, 2024

SUBJECT: Resolution 2024-029, Placing an Areawide Question on the October 2024 Ballot Asking Whether the Borough Should Levy Up To a 12 Percent Tax on Short-Term Accommodation Rentals and Overnight Camping Facilities, Exempt these Rentals from the General Sales Tax, and Provide that All Cities Within the Kenai Peninsula Borough May Exempt Up To One-Half of the Borough's Tax on these Rentals (Cox, Hibbert)

Placing a short-term accommodation rentals tax ("bed tax") question on the Borough ballot has been before the Assembly several times since 2017. Ordinances 2017-29 and 2018-24, which would have asked the voters to approve a bed tax, were defeated by the Assembly. In June of 2019 Ordinance 2019-09, an updated version of the previous ordinances, was passed by the Assembly then vetoed by the Mayor with a veto override failing 4 Yes, 4 No, 1 Abstained. Five years later, we are placing asking that the question be placed on the ballot before introducing and/or enacting an ordinance containing the levy and processes and procedures for implementing and collecting the tax. If approved, the intent would be that this tax will take effect no sooner than January 1, 2026.

Currently 49 Alaska cities and boroughs have a bed tax. The tax rates range from a low of 4% to a high of 12%. Of the 19 organized boroughs in Alaska only the Kenai Peninsula Borough, Aleutians East Borough, North Slope Borough, and North West Arctic Borough do not utilize an additional tax on temporary lodging. Of the five most populated boroughs in Alaska (Anchorage Borough, Matanuska-Susitna Borough, Fairbanks North Star Borough, Kenai Peninsula Borough, and Juneau Borough), only the Kenai Peninsula Borough is without an additional sales tax on short-term accommodation rentals.

Like the other four most populated boroughs in Alaska, the economy of the Kenai Peninsula Borough relies heavily on the several hundred thousand visitors who travel to the Kenai Peninsula each year. This many visitors create a large demand on public services offered within the Borough, which impacts Borough services including solid waste, roads, recreational and senior citizen services, 911 and emergency services, hospital services, and disaster services.

If approved, the sponsors' intent would be to bring forward an ordinance that will enact a new chapter for KPB Code and will include but is not limited to:

- exempt short-term accommodation rentals from the current general sales tax rate of 3%;
- levy a maximum bed tax of 12% on short-term accommodation and overnight camping facilities throughout the Borough;
- adopt an exemption in cities that levy a short-term accommodation rentals and overnight camping facilities tax in a manner similar to the Borough and in an amount equal to the city's tax, up to a maximum of one-half of the Borough's tax with the intent of helping to level the temporary lodging rates inside and outside of the cities in the Borough; and
- adopt processes and procedures for implementing the tax.

The revenue from this tax will help offset visitor costs, help maintain the fund balance, and lower the Borough mill rate as appropriate.

The intent is to postpone the hearing on this to the July 9, 2024 regular Assembly meeting.

Your support in giving Borough residents a chance to vote on including this type of taxation in the Borough is appreciated.

Fiscal Note

Kenai Peninsula Borough
Fiscal Year 2024

Ordinance/Resolution:
Fiscal Note Number:
Publish Date:

Ord _____
6/18/2024

Title: Levy areawide 12% Bed Tax, exempt these rentals from general sales tax and allow cities that levy a similar sales tax to exempt up to one half of the borough's tax on these rentals **EFFECTIVE 1/1/2026**

Department: Assembly

Sponsor(s): Assembly members: Cox & Hibbert

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below.

	Current Year Estimate	Year 2 Estimate	Current Year Estimate
	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>
Operating Expenditures to Borough			
Personnel <i>1 FTE Program Manager</i>	234,855	198,666	204,229
Supplies <i>Misc.</i>	200	200	200
Services <i>Printing, Adv, trvl, postage</i>	7,251	7,251	7,251
Capital Outla <i>Software</i>	859,740	107,000	107,000
Other <i>Wkstation/Tools/scanner</i>	3,665	-	-
Total Operating + Capital Cost to Borough	1,105,711	313,117	318,680
Estimated Revenues for the Borough	1,960,000	5,600,000	5,600,000
Net annual impact to the Borough	854,289	5,286,883	5,281,320

Estimated Revenues for ea. Incorporated City w/in Borough:

Kenai	47,250	135,000	135,000
Homer	70,000	200,000	200,000
Seldovia	-	-	-
Seward	-	-	-
Soldotna	124,950	357,000	357,000

Number of Positions

Full-Time	1	1	1
Part-Time			
Temporary	1		

Estimated Supplemental Funding:

1,105,711

ASSOCIATED REGULATIONS

Will the legislation result in procedural or regulation changes within a department?

Y N (circle one)

If yes, by what date are the regulations to be adopted, amended or repealed?

1/1/2026

Supplemental appropriation will be needed for personnel, to change the sales tax form, make changes to the sales tax

Prepared By: Brandi Harbaugh, Finance Director

Brandi Harbaugh



Kenai Peninsula Borough

144 North Binkley Street
Soldotna, AK 99669

Legislation Text

File #: 2024-029, **Version:** 1

Introduced by:

Cox, Hibbert

Date:

06/18/24

Action:

Vote:

**KENAI PENINSULA BOROUGH
RESOLUTION 2024-029**

**A RESOLUTION PLACING AN AREAWIDE QUESTION ON THE OCTOBER 2024
BALLOT ASKING WHETHER THE BOROUGH SHOULD LEVY UP TO A 12
PERCENT TAX ON SHORT-TERM ACCOMMODATION RENTALS AND
OVERNIGHT CAMPING FACILITIES, EXEMPT THESE RENTALS FROM THE
GENERAL SALES TAX, AND PROVIDE THAT ALL CITIES WITHIN THE KENAI
MAY EXEMPT UP TO ONE-HALF OF THE BOROUGH'S TAX ON THESE RENTALS**

WHEREAS, the Kenai Peninsula Borough ("borough") must raise revenue to protect the general fund which is declining because of losses in tax revenues due to our generous borough tax exemptions, to the continuing decline in state assistance to municipalities, and to the increasing reliance on borough funding for education; and

WHEREAS, currently, 49 Alaska municipalities including cities and boroughs have a short-term accommodation rentals tax, also referred to as a room tax, bed tax or short term lodging rental tax, in addition to other sales taxes, with such bed or lodging tax rates ranging from a low of 4 percent to a high of 12 percent; and

WHEREAS, of the 19 organized boroughs in Alaska only the Kenai Peninsula Borough, Aleutians East Borough, North Slope Borough, and North West Arctic Borough do not utilize an additional tax on short-term accommodations; and

WHEREAS, of the 5 most populated boroughs in Alaska (Anchorage Borough, Matanuska-Susitna Borough, Fairbanks North Star Borough, Kenai Peninsula Borough, and Juneau Borough) only the Kenai Peninsula Borough is without an additional sales tax on short-term accommodations; and

WHEREAS, like the other 4 most populated boroughs in Alaska, the economy of the Kenai Peninsula Borough relies heavily on the several hundred thousand visitors who travel to the Kenai Peninsula each year; and

WHEREAS, this many visitors create a large demand on public services offered within the borough, which impact borough services including solid waste, roads, recreational & senior citizen services, 911 & emergency services, hospital services, and disaster services; and

WHEREAS a short-term accommodation rentals tax would be defined to include a rental that is less than one month in duration; and

WHEREAS, a short-term accommodation rentals tax of 12 percent is estimated to generate an additional revenue of approximately \$1,960,000 in FY2026, \$5,600,000 in FY2027, and \$5,600,000 in FY2028, not including any revenue collected from overnight camping facilities; and

WHEREAS, the estimated operating and capital cost to implement and collect a short-term accommodation rentals tax of 12 percent is \$1,105,711 in FY2026, \$313,117 in FY2027, and \$318,680 in FY2028; and

WHEREAS, the tax cap of \$500 on sales in the borough outlined in KPB 5.18.430 will not apply to the tax levied on any short-term accommodations; and

WHEREAS, to enable the cities to levy a similar tax and allow the tax to apply evenly throughout the borough, the intent would be for the ordinance that enacts the levy and code will exempt from the borough's 12 percent short-term accommodation rentals tax an amount equal to a similar city tax of up to one-half of the borough's tax on such rentals; and

WHEREAS, this resolution puts the question on the ballot, if approved, the borough would then follow-up with a short-term accommodation rentals and overnight camping facilities chapter of borough code, which will provide the levy, implementation, and process and procedure for the tax including specifically authorizing all cities within the borough to levy a short-term accommodation rentals tax, pursuant to AS 29.45.700(a), via future ordinance;

NOW, THEREFORE, BE IT RESOLVED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH:

SECTION 1. That a ballot proposition shall be placed before borough voters at the regular election held on October 1, 2024 to read as follows:

Shall the Kenai Peninsula Borough levy a tax of up to 12 percent on short-term accommodation rentals and overnight camping facilities, exempt such rentals from the general sales tax, and provide that all cities within the Kenai Peninsula Borough may exempt up to one-half of the Borough's short-term accommodations tax?

Yes _____ A "yes" vote means you approve of a borough tax on short-term accommodation rentals and overnight camping facilities of up to 12 percent that will remove the general sales tax on these rentals.

No _____ A "no" vote means you oppose a borough tax on short-term accommodation rentals and overnight camping facilities of up to 12 percent that will remove the general sales tax on these rentals.

SECTION 2. That, if approved by a majority of the qualified voters voting on the quest, the intent would be to follow-up by enacting a new chapter of KPB Code, the code will:

- 1) Establishes a borough tax of up to 12 percent on short-term accommodations or rentals, and overnight camping with no daily sales cap of \$500;
- 2) Exempts short-term accommodations and overnight camping rentals from the current borough general sales tax of 3 percent;
- 3) Exempt any similar tax levied by a city. This exemption in the cities cannot exceed one-half of the borough's short-term accommodations tax on these rentals;
- 4) Allow cities that levy a similar sales tax on short-term accommodations and overnight camping to exempt up to one-half of the borough's tax on these rentals with the intent of helping to level the short-term accommodations rates inside and outside of the cities in the borough;
- 5) Define "Short-term accommodation rentals".
- 6) Define "Overnight camping facilities".
- 7) Is effective January 1, 2026.

SECTION 3. That this resolution takes effect immediately.

ADOPTED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH THIS * DAY OF *, 2024.

Brent Johnson, Assembly President

ATTEST:

Michele Turner, CMC, Borough Clerk

Yes:

No:

Absent:

Chapters 3.16 and 1.08.080 of the Soldotna Municipal Code address the Lodging Tax and are provided below for your reference.

Chapter 3.16 – LODGING TAX

3.16.010 Definitions.

For purposes of this chapter, the following words shall have the definitions:

- A. “City” means the City of Soldotna.
- B. “Guest” means an individual, corporation, partnership or association paying monetary or other consideration for lodging.
- C. “Lodging” means a structure or portion of a structure which is occupied or intended and designed for occupancy by guests for dwelling or sleeping purposes.
- D. “Operator” means a person, firm, corporation, or other designated legal entity, who offers for rent or otherwise makes available in the city lodging for monetary or other consideration.
- E. “Package plan” means multiple services offered at one set rate. A package plan is commonly referred to as “bundled services” or a “package tour.” This can include, but is not exclusive to, fishing charters with room and board included when the charter is purchased.
- F. “Rent” or “rents” means the amount paid or promised, in terms of money, as consideration for the use by a guest for lodging. It does not include the cost of food or entertainment, nor does it include the cost of banquet or other facilities not intended for use as lodging.
- G. “Short-term lodging” means lodging that is subject to a rental agreement, whether implicit, explicit, or written, between the owner or tenant and a transient guest or guests to provide, for compensation, temporary accommodations for a term of less than 30 days, or one month, whichever is shorter. This includes, but is not limited to, any hotel, motel, inn, bed and breakfast, lodge, VRBO, Airbnb, and other peer-to-peer rentals.

3.16.020 Imposition of short-term lodging tax.

- A. There is enacted a tax on short-term lodging computed on a percentage of the rent. This tax is applicable to all short-term lodging rentals, unless the guest is specifically exempted from taxation by constitution or other valid law.
- B. Municipalities, state and federal governments are exempt from this tax through purchase order or other device obligating the government to pay for the lodging. Government employees are not exempt from this tax if lodging is rented to them individually or they have the ultimate obligation to pay for lodging.
- C. The tax is 4% (four percent) of the lodging rent charged.
- D. The tax is in addition to the general sales tax of the city and Kenai Peninsula Borough. The tax imposed in this chapter shall not be levied on the city or Kenai Peninsula Borough sales tax portion of a rental bill. Neither shall the general sales tax be levied on this tax. Both taxes shall be computed individually on the lodging rent.

3.16.030 Collection and accrual.

- A. Title to taxes collected pursuant to this chapter shall vest in the City upon collection.
- B. Every operator renting lodging subject to taxation under this chapter shall levy and collect the taxes imposed by this chapter from the guest at the time of charge for the lodging and shall transmit the same, quarterly.
- C. This tax accrues each day of occupancy and shall be paid by the lodging operator at the time a tax return covering such date is due, irrespective of when the guests actually pay their bill to the lodging operator.
- D. An operator may not advertise or state to the public or to any guest or renter, directly or indirectly, that the tax or any part of it will be assumed or absorbed by the operator of lodging, or that the tax will not be added to the rental or that it will be refunded, nor may an operator absorb or fail to add the tax or any part of it or refund any tax or fail to separately state the tax to the renter or guest.

- E. When a guest pays for a package plan which includes lodging the amount applicable and apportioned to lodging for determination of the lodging tax shall be the same charge made for lodging when lodging is not part of a package plan.

3.16.040 Tax receipts, returns and records.

- A. Lodging tax return required.
 - 1. a lodging tax return to the City of Soldotna using a form prescribed by the city, detailing the lodging tax collected during each quarter. The return must be submitted by the first business day following the last day of the month following the end of the quarter.
 - 2. Quarterly returns are required regardless of sales, including for periods of zero sales.
 - 3. The operator must sign the lodging tax return and submit it, along with the applicable lodging tax payment, by the due date.
- B. Failure to file a lodging tax return. An operator who fails to file a lodging tax return, including a zero-sales return, by the due date shall incur a flat penalty of \$25.
 - 1. Filing an incomplete lodging tax return is considered the same as not filing a return at all.
- C. Failure to pay lodging tax.
 - 1. An operator who fails to pay the lodging tax by the due date is subject to a penalty of 10% (ten percent) of the delinquent lodging tax.
 - 2. In addition, interest will be charged on the delinquent account balance at a rate of [TEN] 1% (one percent) per month or any portion thereof, starting from the date the tax becomes delinquent until the account balance is paid in full.
- D. Lodging tax records.
 - 1. Every operator shall maintain detailed records of all lodging rooms rented, rent collected and rent exempt from lodging tax, along with any other books and accounts necessary to determine the amount of lodging tax the operator is required to collect.
 - 2. All such books and records shall be retained for a minimum period of three years and shall be available for examination by the city during reasonable business hours to verify the accuracy of a return or the amount of lodging tax payable or collected.
- E. Lodging tax – involuntary return.
 - 1. When an operator fails to file a return as required by subsection (B) or (C) of this section, or when the city manager finds that a return filed by an operator is not supported by the records to be maintained under subsection d of this section, the city manager may prepare and file a return on behalf of the operator.
 - 2. Lodging tax estimated on a return filed on behalf of the operator under this subsection may be premised upon any information that is available to the city manager including, without limitation, comparative data for similar businesses.
 - 3. An operator for whom an involuntary return is filed under this subsection shall be liable for the lodging tax stated on the return as well as the penalties and interest provided in subsection c of this section and in section 3.16.030 of this chapter.

3.16.050 Confidential and nonconfidential tax information.

- A. The following information is publicly available information:
 - 1. Names and addresses of business owners who filed tax returns under this chapter;
 - 2. Whether a business is registered to collect taxes under this chapter in the city and Kenai Peninsula Borough;
 - 3. Whether a business is current in filing tax returns and in remitting tax due under this chapter, and the number of returns not filed.
- B. Except as otherwise provided in this section, lodging tax forms and their contents shall be confidential and shall not be disclosed by the city except in:
 - 1. Connection with efforts by the city to collect the tax;
 - 2. Response to a subpoena issued by a court, state agency or governmental board or commission;
 - 3. Connection with an inquiry specifically authorized by the city council;
 - 4. In compilation of statistics and studies by the finance department for public distribution, so

long as information from individual businesses is not identifiable as to source.

- C. Nothing contained in this section shall be construed to prohibit the:
1. Delivery to a person, or his or her duly authorized representative, of a copy of any return or report filed by him.
 2. Furnishing of information on a reciprocal basis to other agencies or political subdivisions of the state or the United States concerned with the enforcement of tax laws.

3.16.060 Tourism Enhancement Fund – use of fund.

- A. A new revenue fund shall be established entitled the "tourism enhancement fund" with all funds received under this chapter being deposited into the fund and will be distributed at the discretion of the city council.
- B. The city manager, through the preparation of the biennial operating budget, shall recommend to the city council appropriations of funds contained in the tourism enhancement fund.
- C. The proceeds contained in the tourism enhancement fund may be used for the following:
1. Soldotna visitor information center
 2. Renovation for:
 - a. Soldotna Ice Arena
 - b. Soldotna field house
 - c. Soldotna creek park
 - d. Parks, trails, and sports fields located within the City of Soldotna
 3. Advertising and promotion of the City of Soldotna
 4. Landscaping and visual improvements within the city limits
 5. Support of arts and cultural programs within the city limits
 6. Bond debt service in support of items defined in 3.16.060 (C).
- D. In accordance with Soldotna Municipal Code 2.50.030, the parks and recreation advisory board shall provide advice to the city manager on how the tourism enhancement funds shall be utilized.

3.16.070 Operator's certificate of registration.

- A. No person may operate a short-term lodging business in the city without first obtaining a certificate of registration. If an operator has multiple locations, a separate certificate is required for each location.
- B. An operator must apply for a certificate of registration with the city using a form or platform designated by the city. The application must be submitted within ten days of either:
1. The date the operator begins business; or
 2. The date the operator begins business at a new location.
- C. The certificate of registration is valid until it has been surrendered, revoked, or suspended
- D. The certificate of registration shall be displayed in a conspicuous place during operation at the registered place of business. The assigned certificate of registration number must be displayed on each advertisement or public listing for a short-term lodging.
- E. A certificate of registration is non-transferable and non-assignable. If an operator ceases to operate at the registered place of business or changes its business structure, the certificate of registration expires and shall be surrendered to the city for cancellation.

3.16.075 Compliance required.

Prior to the issuance of a short-term lodging certificate of registration, the short-term lodging:

- A. Operation must be in compliance with all applicable zoning codes and have no active code violations.
- B. Short-term lodging tax account must be current, with no delinquent balances.
- C. All prior lodging tax returns must be filed and paid in full.

3.16.077 Revocation, suspension or other restriction of certificate of registration.

- A. The City may revoke, suspend or otherwise restrict a certificate of registration required by this chapter for any of the following reasons:

1. The applicant made a false or misleading statement or representation in connection with the application for a certificate of registration;
 2. The licensee has violated any provision of this chapter;
 3. The licensee is conducting the business at a location other than that indicated on the current certificate of registration;
 4. The licensee knowingly or willfully permits, allows, directs or otherwise sanctions the violation of any provision of this code or city regulations.
- B. The decision to revoke, suspend or otherwise limit or restrict a certificate of registration shall not be effective until the licensee is first given a hearing before the city manager.
1. Notice shall be given to a licensee of the intent to consider revocation, suspension or any other limitation or restriction, specifying a date and time for a hearing.
 2. At the hearing, all parties may be represented by counsel and may offer witnesses and exhibits.
 3. At the conclusion of the hearing, the city manager shall issue a written decision within five working days.
 4. An appeal from the decision of the city manager under this chapter may be made to the Superior Court in Kenai, Alaska within 30 days after the city manager's decision is distributed to the licensee.

3.16.080 Violations.

Operating without a certificate of registration or the operation of a lodging business in violation of the standards in this chapter is unlawful and is a minor offense as defined in SMC 1.08.030.

Chapter 1.08 – ENFORCEMENT

1.08.080 Minor offense fine schedule.

Soldotna Municipal Code Reference	Offense	Fine
Chapter 3.16 – Lodging Tax		
3.16.070	Failure to obtain a certificate of registration	\$250
3.16.080	Unlawful operation of a lodging business per day	\$250

Chapter 12.20 - ROOM TAX

Footnotes:

--- (1) ---

Editor's note— AO No. 2003-102, § 1, effective July 15, 2003, amended the title of Ch. 12.20 from "Hotel-Motel Room Tax" to "Room Tax."

See also the Code Comparative Table.

Cross reference— Bed and breakfast with three or less guestrooms, § 21.45.250; bed and breakfast with four guestrooms, § 21.45.255.

12.20.010 - Definitions.

The following words, terms and phrases, when used in this chapter, shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning:

Chief fiscal officer means the chief fiscal officer of the Municipality of Anchorage or a designee.

Department means the Municipality of Anchorage Finance Department.

Guest means a person who rents a room whether for use or occupancy by such person or by others, provided, however that "guest" does not include a person, not an operator, acting as an agent for or on behalf of another person to facilitate the room rental and merely transfers rent collected to an operator.

Hostel means a structure or facility in compliance with Title 21 of this Code and exclusively composed of one or more hostel dormitories containing a minimum of 12 standard beds designed for single-person occupancy within the facility. Hostel accommodations are supervised and must include at least one common area and at least one common kitchen for guest use.

Hostel dormitory means a single room, containing two or more standard beds designed for single-person occupancy and separated laterally by a minimum of 30 inches, used exclusively as non-private communal sleeping quarters, generally for unrelated persons, where such persons independently acquire the right to occupy individual beds, with the operator supervising and determining which bed each person will occupy, and having a fee per person which is no higher than \$35.00 per day. A hostel dormitory shall not include an en suite restroom, or integral area with toilet, shower, or bath fixtures. Groups of generally unrelated persons staying in connection with school activity or other educational or charitable purposes may obtain the right to occupy individual beds paid for on a collective basis by their organization.

Hosting platform means a person or entity that provides a means through which an operator may offer a room for rent. This service is usually provided through an online platform and generally allows an operator to advertise a room for rent through a website provided by the hosting platform, and provides a means for a guest to pay rent for the room.

Operator means a person who owns, operates or controls any facility in which there is rented or offered for rent one or more rooms, the rent for which is, or absent an exemption under this chapter would be, taxable under this chapter.

1. Exempt operator is an operator who has qualified for an exemption under and has fulfilled the requirements of section 12.20.025.
2. Persons misrepresenting themselves to the public as being an operator under this chapter shall be subject to and comply with all the duties and responsibilities of an operator as set forth in this chapter.

Person means all persons both natural and artificial, political subdivisions of any state and any person acting for or on their behalf and any combination or aggregation thereof.

Quarter means one of the four consecutive three-month periods in a calendar year.

Rent is the monetary value of any consideration, whether money, property or services, given in exchange for the right to use or occupy a room.

To rent or rent (in any conjugation of the verb form) a room means to provide or obtain the right to use or occupy a room in exchange for rent.

Room means an integral space confined by walls and one or more doors, within a facility or structure, which is rented or offered for rent for use as a residence, dwelling, place for sleeping, place of lodging or other use auxiliary to such residential, dwelling, sleeping, or lodging use; provided however, that "room" shall not include any lodging space for sleeping purposes used exclusively as part of a business, such as a hospital or university dormitory, whose primary purpose is other than providing meals, lodging, entertainment or recreation.

Tax return is the quarterly report to be submitted to the department as required by section 12.20.050.

(GAAB 10.20.010; AO No. 84-40; AO No. 86-210; AO No. 96-103, § 1, 4-1-97; AO. No. 97-3, § 1, 4-1-97; AO No. 97-68(S), §§ 1, 2, 5-6-97; AO No. 2003-102, § 2, 7-15-03; AO No. 2003-165, § 1, 12-17-03; AO No. 2012-105(S), § 1, 12-18-12; AO No. 2016-66, § 1, 6-21-16; AO No. 2019-99(S), § 2, 8-20-19)

12.20.020 - Levy, payment, collection and distribution of tax revenues.

- A. Subject to the provisions of this chapter, there is hereby levied a tax on all room rents in an amount equal to 12 percent (12%) of the room rent paid to an operator.
 1. The guest shall pay the tax to the operator at the time the rent is paid, provided however, that tax paid on rents which subsequently qualify for an exemption from this tax shall be refunded by the operator to the guest and shown as a credit on the guest's bill.
 2. The operator shall collect the tax when the operator collects the rent and shall state the tax as a separate item on the guest's bill.

- B. One-third of the total tax revenues received, less administrative and enforcement related expenses, are dedicated to promotion of the tourism industry, which includes use of funds for any purpose set forth in subsection C.
- C. One-third of the total tax revenues received, less administrative and enforcement related expenses, are dedicated to financing the design, site acquisition, construction, landscaping, bonded debt service or lease payments, carrying costs, and operation, and/or maintenance of the new civic and convention center, including parking facilities, and the renovation, operation and maintenance of the existing Egan Civic and Convention Center.
- D. If all or a portion of the taxes levied and dedicated to the purposes in subsection C. are no longer needed for the purposes described in subsection C., including repayment of bonded indebtedness, the assembly shall consider whether the tax increase levied pursuant to AO 2005-17, approved by the voters as ballot proposition 2 on April 5, 2005, shall be eliminated or reduced.

(GAAB 10.20.020; AO No. 79-178, 11-1-79; AO No. 79-200; AO No. 82-27; AO No. 84-40; AO No. 86-210; AO No. 87-80(S), 9-1-87; AO No. 87-100; AO No. 96-103, § 1, 4-1-97; AO No. 97-3, § 1, 4-1-97; AO No. 2003-152S, § 9, 1-1-04; AO No. 2005-89, § 1, 1-1-06)

12.20.022 - Tax exemptions.

- A. The following rents are exempt from the tax levied by section 12.20.020:
 - 1. Rent paid directly by the United States or state insofar as they are immune from taxation;
 - 2. Rent paid directly by a guest who is an officer or employee of a foreign government or by such guest's foreign government employer which is exempt from taxation by law or treaty;
 - 3. Rent paid directly by an employer for a room to be used or occupied by his employee or employees on a rotating basis for 30 consecutive days or more at the operator's registered place of business;
 - 4. Rent paid for the use or occupancy of a room or rooms by the same person or persons for 30 or more consecutive days. As used in this subsection 4., "person" means only natural persons;
 - 5. Rent paid to an exempt operator, provided the operator collecting the rent has established its exemption in accordance with section 12.20.025.
 - 6. Fees paid for the right of a person to occupy a bed in a hostel dormitory. As used in this subsection, "person" means only natural persons.
- B. As used in this section, "rent paid directly" means payment is made by voucher, check, warrant, or other negotiable instrument made payable to the operator and issued from an account maintained by the person or entity entitled to the exemption or by a bill, invoice, purchase order,

or other form of payment arrangement made directly between the operator and the person or entity entitled to the exemption. A right of reimbursement to the guest from the person or entity entitled to the exemption does not constitute a direct payment.

- C. Every third year subsequent to the year of initial adoption of the not-to-exceed bed rental rate to qualify as a hostel dormitory, on or near March 31, the department shall re-evaluate said not-to-exceed bed rental rate and recommend possible upward adjustment, rounded to the nearest whole dollar, subject to the lower of:
1. Anchorage CPI-U growth during the three-year period, based on the most recent February release date of the semiannual report for Anchorage from the U.S. Department of Labor statistics and determined to be the percent change during the three-year period ending with the second half of the prior year; or
 2. The mean average rate of growth in the economy market for taxable room rentals within the municipality, based on a composite measure to be developed by the department.

(AO No. 96-103, § 1, 4-1-97; AO No. 2003-102, § 3, 7-15-03; AO No. 2012-105(S), § 2, 12-18-12)

12.20.025 - Operators exempt from collecting the tax and/or other specified requirements.

- A. When qualified for exemption in accordance with this subsection, an operator exempt from federal income taxation under 26 USC § 501(c)(3), whose income from room rents is not unrelated business taxable income under 26 USC § 512, is exempt from collecting the tax levied by this chapter.
1. An operator qualifies for exemption under subsection A. of this section by registering as an operator under section 12.20.030, and presenting evidence satisfactory to the chief fiscal officer that the United States Internal Revenue Service has determined that the operator is exempt from federal income taxation under 26 USC § 501(c)(3), and its income from room rents is not unrelated business taxable income under 26 USC § 512.
 2. An operator that has qualified for exemption under this section shall report to the chief fiscal officer in writing any final determination by the United States Internal Revenue Service affecting or revoking the operator's exemption under 26 USC § 501(c)(3) within 30 days after receiving notice thereof.
- B. An operator who exclusively rents or offers to rent a room or rooms solely as the non-transient residence of the occupant for 30 or more consecutive days shall be exempt from the requirements of this chapter for obtaining and displaying a certificate of registration, collecting the tax levied and filing tax returns.
- C. A hostel shall be exempt from the requirements of this chapter for collecting the tax levied, providing security for fiduciary performance, and filing tax returns.

(AO No. 84-40; AO No. 96-103, § 1, 4-1-97; AO No. 2003-102, § 4, 7-15-03; AO No. 2012-105(S), § 3, 13, 12-18-12)

12.20.030 - Operator's certificate of registration.

- A. *Required; display.* Except as otherwise provided in this chapter, every operator shall obtain a certificate of registration for each location at which such business is conducted prior to renting or offering to rent a room or rooms. Operators shall display their certificate of registration in conspicuous places where it can be readily viewed by guests at the registered place of business.
- B. *Application.* Application for a certificate of registration for each location at which an operator conducts business shall be made to the chief fiscal officer on a form provided by the department containing such information as the department may require. There shall be no charge for issuing a certificate of registration.
- C. *Contents.* A certificate of registration shall bear the name of the operator, the address of the registered place of business, and the operator's form of business organization, and state whether the operator is exempt from collecting the tax under section 12.20.025.
- D. *Expiration.* If an operator ceases to engage in business as an operator, ceases to engage in business at its registered place of business, changes its name, changes the name by which the registered lodging facility is advertised or marketed by the operator, changes its form of business organization, or ceases to be exempt from collecting the tax under section 12.20.025, its certificate of registration expires. An operator shall surrender an expired certificate of registration to the chief fiscal officer for cancellation.
- E. An applicant applying for a certificate of registration under this chapter shall provide security for its fiduciary performance in accordance with section 12.20.035. Evidence of such security shall be submitted to the department with the application.
- F. The department may refuse to issue a certificate of registration if there is reasonable cause to believe that the applicant has structured its business organization to avoid payment of delinquent taxes, penalties, interest, or costs due under this chapter; has willfully withheld information requested to determine the applicant's eligibility to receive a certificate; or there is reasonable cause to believe that information submitted in the application is false or misleading and is not made in good faith.

(GAAB 10.20.030; AO No. 84-40; AO No. 86-210; AO No. 96-103, § 1, 4-1-97; AO No. 2003-102, § 5, 7-15-03; AO No. 2012-105(S), §§ 4, 13, 12-18-12)

12.20.031 - Registered hosting platforms.

- A. *Registration, collection, and remittance required.* Every hosting platform that agrees to accept room rental payment from a guest pursuant to section 12.20.020, subject to exemption rules specified in section 12.20.031A.1., shall obtain a certificate of registration prior to offering services to operators subject to this chapter, and shall collect room tax and remit the tax to the department on behalf of all operators for which it provides this service.
1. Exemptions.
 - a. The following rules apply to exemptions from subsection A:
 - i. Branded hosting platforms used exclusively for a particular hotel brand and its affiliates are exempt from registration.
 - ii. Tour companies, travel booking agents, and wholesale room sellers are exempt from room tax collection and remittance to the department for each room rental transaction meeting the following criteria:
 - (A) Sales of room nights for stays at an operator's individual property with ten or more rooms that is properly registered with the municipality, per the treasury division's online published list of registered operators; and
 - (B) Collection of room tax and payment of funds to the registered operator, either through direct transfer or subsequent billing from the registered operator.
 - b. Any hosting platform subject to subsection A that is wholly involved in room rental transactions covered by this subsection A.1. shall not be required to register, collect, and remit room tax to the department.
- B. *Application.* Application for a certificate of registration shall be made to the chief fiscal officer on a form provided by the department containing such information as the department may require. There shall be no charge for issuing a certificate of registration.
- C. *Responsibilities.* An operator who uses a registered hosting platform as the sole method for renting or offering for rent a room shall not be subject to this chapter to the extent the registered hosting platform performs the responsibilities of an operator, with the exception of section 12.20.070, maintenance and inspection of records.
- D. A hosting platform applying for a certificate of registration under this chapter shall provide security for its fiduciary performance in accordance with section 12.20.035. Evidence of such security shall be submitted to the department with the application.
- E. Taxes collected by a registered hosting platform pursuant to this chapter shall vest in the municipality upon collection. The hosting platform has a fiduciary duty to the municipality for these taxes. The taxes shall be segregated from the hosting platform's funds, at least by book account, and held in trust for the exclusive benefit of the municipality until remitted to the municipality.

- F. A registered hosting platform is not required to submit informational returns in accordance with section 12.20.045.
- G. A registered hosting platform shall submit tax returns and remit tax payments in accordance with sections 12.20.050 and 12.20.053, except that the tax return shall set forth or include the aggregate amounts of all rents earned by and taxes due from the operators who use the hosting platform to rent or offer to rent rooms through the hosting platform. To the extent a hosting platform collects taxes on behalf of an operator, the operator's liability for those taxes shall be deemed satisfied.
1. In addition to the foregoing tax return information, a registered hosting platform shall submit contemporaneously with the tax return a list of all rooms rented from operators who used the hosting platform to rent or offered to rent those rooms and for which the hosting platform collected taxes. Notwithstanding section 12.20.060, the statistical information derived from these supplemental room information reports is public. The supplemental room information submittal shall include:
 - a. The number of operators the taxes are submitted on behalf of.
 - b. For each room rented during the reporting period: The location information that is displayed on the public listing on the hosting platform, whether it is a room or an entire dwelling unit, and if an entire dwelling unit whether it is a single-family home, duplex, triplex, accessory dwelling unit, or multifamily construction.
 - i. The location information may be reported in an aggregated method by a geographic area delineation as determined by the chief fiscal officer.
 - c. Presentation of the date required by a. and b. separately for each month in the tax reporting period.
- H. A registered hosting platform shall obtain and preserve evidence sufficient to support all room rental transactions subject to this chapter and all claimed exemptions from payment, collection, or remittance of the room taxes under this chapter in accordance with section 12.20.070. To the extent a hosting platform may assign anonymous account numbers to operators using the hosting platform, when inspecting records the department shall inspect the required records in an anonymized fashion, unless the department has obtained a release of information from the operator or an order to produce identifiable operator information issued through a binding legal process.
- I. A registered hosting platform is not subject to section 12.20.090, tax lien.
- J. Except as expressly provided for in this section, a hosting platform is subject to all other provisions of this chapter.

(AO No. 2016-66, § 2, 6-21-16; AO No. 2019-99(S), § 1, 8-20-19; AO No. 2024-81(S), § 1, 1-1-25)

12.20.032 - Seasonal certificate of registration.

- A. This section shall apply, and a seasonal certificate of registration is available, only to persons meeting the definition of operator in section 12.20.010, that rent three or fewer rooms, and that rent during a period of up to 180 days in a calendar year.
1. A seasonal certificate of registration issued under this section shall not automatically expire when the business, for seasonal reasons, temporarily ceases to rent rooms. The certificate shall, however, automatically expire when the business closes permanently.
 2. A seasonal certificate of registration issued by the department will include information set forth in subsection 12.20.030C., and shall also state the period of time up to 180 days during which the operator intends to allow guests to occupy rooms rented at the registered lodging facility.
 3. An operator possessing a valid seasonal certificate of registration issued by the department shall comply with all requirements set forth in subsection 12.20.050A., except that such operator is not required to file a tax return(s) covering the calendar quarter(s) outside of the declared period in subsection A.2. above when no rooms have been rented during that calendar quarter.
- B. All other provisions of Chapter 12.20 shall apply to an operator with a seasonal certificate of registration, except as to expiration and tax return due dates, set forth within this section.

(AO No. 2003-165, § 2, 12-17-03)

12.20.035 - Security for fiduciary performance.

- A. *Guarantee required.* To ensure that an operator performs its fiduciary responsibility to timely collect, account for, safeguard, and remit taxes levied by this chapter, the operator shall provide a guarantee by one or more of the methods specified in this section. The amount of the guarantee shall be in an amount that the chief fiscal officer determines to be 12 percent of the estimated average annual taxable room rental revenues for the registered facility, or \$5,000.00, whichever is higher. Except as specified in subsection C. of this section, the requirement for a guarantee shall remain in force for the entire period the applicant is registered as an operator in accordance with section 12.20.030. A certificate of registration shall be automatically revoked when the operator's required guarantee lapses, is not renewed, expires, is modified without the written consent of the chief fiscal officer, is cancelled, or is otherwise terminated. In the event the municipality exercises a claim against the guarantee, the operator shall provide an additional guarantee, in an amount equal to the amount of the paid claim, no later than 30 days after the date such claim was paid or its certificate of registration shall be automatically revoked.

B.

Methods. The operator shall include one or more of the following methods to guarantee performance of its fiduciary responsibilities at the time of application for a certificate of registration:

1. *Surety bond.* The operator may elect to provide a surety bond, in an amount defined in subsection A. of this section, from a company authorized to do such business in the state. The bond shall be in a form acceptable to the municipal attorney. The bond shall be payable to the municipality and shall be conditioned upon payment in full of the tax, including penalties and interest due and to become due and owing to the municipality by said operator during the effective period of the bond under the provisions of this chapter. The surety may terminate this bond, except as to any liability already incurred or accrued, and may do so upon giving the operator and the chief fiscal officer written notice to that effect. The surety shall provide written notice to the chief fiscal officer not less than 30 days before the expiration, non-renewal, lapse, termination, or other similar event affecting such surety bond. Thirty days after receipt by the chief fiscal officer of such notice or upon a later date specified in the notice, or upon the filing and acceptance of a new bond, the existing bond shall terminate and be of no more force and effect, except as to any liabilities or indebtedness incurred or accrued thereunder as of the date of termination.
2. *Deposit in escrow.* The operator may elect to deposit a cash sum, in an amount defined in subsection A. of this section, either with the municipality or in escrow with a responsible financial institution authorized to do such business in the state. In the case of an escrow account, the operator shall file with the municipality an escrow agreement which includes the following terms:
 - a. Funds of the escrow account shall be held in trust until released by the municipality and may not be used or pledged by the operator as security in any matter during that period other than payment of the tax, penalties, and interest due and to become due and owing to the municipality under this chapter.
 - b. In the case of a failure on the part of the operator to remit taxes due under this chapter by the required due date, the institution shall immediately make all funds in such account available to the municipality for use in satisfying those taxes due, along with any related penalties and interest as provided for in this chapter.
3. *Letter of credit.* The operator may elect to provide, from a bank or other responsible financial institution authorized to do such business in the state, a letter of credit in a form acceptable to the municipal attorney. Such letter shall be filed with the municipality and shall certify the following:
 - a. That the financial institution irrevocably guarantees funds in an amount defined in subsection A. of this section.
 - b.

That in the case of failure on the part of the operator to remit taxes due under this chapter by the required due date, the financial institution shall pay to the municipality immediately and without further action such funds as are necessary to satisfy those taxes due, along with any related penalties and interest as provided for in this chapter, up to the limit of credit stated in the letter.

- C. Once an operator has filed a tax return and remitted the full amount of taxes due under this chapter, by the due date prescribed by this chapter, for each of eight consecutive calendar quarters, the operator may submit a written request to the chief fiscal officer for a waiver of the requirement for the operator to post a guarantee. Except as listed below, the chief fiscal officer shall provide written approval of such request, stating the date the requirement for a guarantee shall expire.
 - 1. The chief fiscal officer shall not approve the operator's request and the requirement for a guarantee shall not expire when the operator has had any certificate of registration previously issued under this chapter revoked by the department.
 - 2. The chief fiscal officer shall not approve the operator's request and the requirement for a guarantee shall not expire when the department has reasonable cause to believe that the operator is a related party or related entity to another operator or prior operator whose certificate of registration has previously been revoked under this chapter.
- D. The agreement or contract and other evidence of a guarantee under this section is subject to inspection by the department.
- E. Security for fiduciary performance under this section may be waived for an operator having three or fewer rooms for rent provided the operator files a tax return and remits the full amount of tax due by the due dates prescribed in this chapter.

(AO No. 2003-102, § 6, 7-15-03; AO No. 2003-165, § 3, 12-17-03; AO No. 2012-105(S), § 5, 12-18-12)

12.20.040 - Tax receipts segregated and held in trust for the municipality.

Title to taxes collected pursuant to this chapter shall vest in the municipality upon collection. The operator has a fiduciary duty to the municipality for these taxes. The taxes shall be segregated from the operator's funds, at least by book account, and held in trust for the exclusive benefit of the municipality until remitted to the municipality.

(GAAB 10.20.040; AO No. 96-103, § 1, 4-1-97; AO No. 2003-102, § 7, 7-15-03)

12.20.045 - Informational returns.

Within 30 days after the end of each month, an operator offering 110 or more rooms for rent shall submit an informational return to the department, in a format acceptable to the department, to include the amount of gross rents, non-taxable rents, and taxable rents earned during the preceding month. This

additional reporting requirement shall not change or otherwise affect the quarterly requirement to file a timely tax return and remit room taxes to the department as set forth in section 12.20.050 A.

(AO No. 2012-105(S), § 6, 12-18-12)

12.20.050 - Tax returns and remittance.

- A. Within 30 days after the end of each calendar quarter, every operator not exempt under this chapter shall submit to the department a tax return, signed by the operator(s), on a form provided by the department for each registered place of business regardless of whether taxes are due or reported rents are taxable. Each operator shall remit therewith all taxes due from such operator pursuant to this chapter during the immediately preceding calendar quarter. Tax returns and taxes due under this chapter must be actually received by the department within the time required by this section.
 1. The tax return shall set forth or include:
 - a. Whether the cash basis or accrual basis accounting method is used to report rents earned;
 - b. The aggregate amount of all rents earned by the operator for rooms within the municipality;
 - c. The amount of non-taxable rents earned;
 - d. The amount of taxable rents earned;
 - e. The amount of taxes due; and
 - f. Such other relevant information and supporting documents as the department may require.
 2. As used in subsection A.1. of this section, "*rents earned*" means rent revenue recognized on the operator's books of account in the legitimate and normal and ordinary course of the operator's business. An operator must elect to report rents on an accrual basis or a cash basis method of accounting. Once adopted, an operator's method of reporting rents shall not be changed without prior written approval of the chief fiscal officer. Generally, cash basis operators recognize rents as earned when the rent is actually collected and accrual basis operators recognize rents as earned when the rental transaction occurs regardless of when payment is actually received.
- B. *Involuntary return.* If an operator fails to file a tax return as required by this section or if the chief fiscal officer finds that a tax return is not supported by the records required to be maintained under this chapter by the operator filing the tax return, the chief fiscal officer may prepare and file a tax return on behalf of the operator. Taxes estimated on a tax return filed on behalf of an operator under this subsection may be premised upon any information that is available to the

chief fiscal officer including, but not limited to, comparative data for similar businesses. An operator for whom an involuntary tax return is filed under this subsection shall be liable for the taxes stated on the tax return, as well as all penalties and interest provided for in this chapter.

1. The department shall notify the operator(s) of determinations made under this section and include in such notice the basis of the department's calculations determining the operator's liability together with a notice of the operator's rights under section 12.20.115, that payment is due immediately and that taxes, interest, penalties and costs continue to accrue from the date taxes were due under this chapter for the period(s) covered by the determination.
 2. Unless otherwise determined by the chief fiscal officer in a decision under section 12.20.115.B., taxes due under this section shall be payable immediately.
 3. Taxes determined under this section shall be due on the same date as if a tax return had been filed by the operator or owner in accord with this chapter and interest, penalties and administration costs thereon shall accrue from such due date.
 4. A tax return prepared by the chief fiscal officer is prima facie evidence of taxes due, and the penalties and interest accruing from said tax liability. In an application for, or during a hearing under, section 12.20.115, it is the operator's burden to rebut the presumed sufficiency of a tax return prepared by the department.
- C. Notwithstanding anything contained in this chapter to the contrary, within ten days after ceasing to be an operator, the operator shall:
1. Surrender its certificate of registration;
 2. Notify the chief fiscal officer in writing of the date on which and the name, telephone and address of any person to whom the business described in the returned certificate of registration has been leased, conveyed or otherwise relinquished or transferred together with the date on which the person executing the returned certificate ceased doing business as an operator; and
 3. File a final tax return for the period subsequent to the operator's last tax return together with all taxes collected and other payments due in the manner required for filing tax returns, remitting taxes collected and payment of other sums due under this chapter.
- D. *Responsibility of corporate officers and directors.* It shall be the responsibility of every director and/or corporate officer of a corporation owning, operating, or controlling a facility registered under this chapter to ensure that timely and proper tax returns are filed and the related taxes due under this chapter are remitted to the department on behalf of the corporation. A director and/or corporate officer may be held personally liable for failing to timely:
1. File a proper tax return; or
 2. Remit taxes due.

E.

Responsibility of members of a limited liability company. It shall be the responsibility of every member of a limited liability company owning, operating, or controlling a facility registered under this chapter to ensure that timely and proper tax returns are filed and the related taxes due under this chapter are remitted to the department on behalf of the limited liability company. A member of a limited liability company may be held personally liable, to the extent provided by law, for failing to timely:

1. File a proper tax return; or
2. Remit taxes due.

(GAAB 10.20.050; AO No. 79-178; AO No. 84-40; AO No. 85-183; AO No. 92-36; AO No. 96-103, § 1, 4-1-97; AO No. 2003-102, §§ 8, 9, 7-15-03; AO No. 2012-105(S), §§ 7, 13, 12-18-12)

12.20.053 - Amended tax returns.

Any tax return filed under sections 12.20.050A. or 12.20.050C. may be amended by the operator.

(AO No. 2003-102, § 10, 7-15-03)

12.20.056 - Application of payments.

Any payment submitted to the department for taxes, interest, penalties or costs due under any tax return, provision of this chapter, or any finding or determination by the department under this chapter shall be credited to the tax period for which remitted, but shall be credited first to the payment of costs and then to the payment of penalties, interest, and taxes due for such tax period in that order.

(AO No. 96-103, § 1, 4-1-97)

12.20.060 - Confidentiality of records.

- A. All tax returns filed under this chapter, all data obtained from such tax returns, and all financial information obtained from an inspection of records in accordance with this chapter are confidential and may not be released except upon court order, when necessary to enforce the provisions of or to collect the taxes due under this chapter and except for inspection by the mayor, the chief fiscal officer, the municipal attorney, the internal auditor and municipal assessor or the assembly in the performance of their official duties.
- B. Except when necessary to the performance of their official duties to enforce the provisions of or to collect taxes due under this chapter, no person may divulge to another any information, data or financial information of an operator, an operator's records or a tax return filed under this chapter unless the person receiving such information, data or financial information is a person authorized by this chapter to inspect the tax return, information, data or financial information.
- C.

It is the duty of the chief fiscal officer to safely keep tax returns, all data taken therefrom, and all financial information obtained from an inspection of the operator's records secure from public and private inspection except as provided by this chapter.

- D. This section does not prohibit the municipality from compiling and publishing statistical information concerning the data submitted provided no identification of particular tax returns or operator information, data or financial information is made.

(GAAB 10.20.060; AO No. 80-118; AO No. 96-103, § 1, 4-1-97; AO No. 2012-105(S), § 13, 12-18-12)

12.20.070 - Maintenance and inspection of records.

- A. It shall be the responsibility of the operator to obtain and preserve evidence sufficient to support all room rental transactions subject to this chapter and all claimed exemptions from payment, collection, or remittance of the room taxes under this chapter. Specification in this chapter of the records to be kept by an operator shall not relieve the operator of its responsibility to keep sufficient records. Unless a longer period is ordered by the chief financial officer under section 12.20.075 or a court of competent jurisdiction, an operator shall keep and preserve in the municipality at least the following minimum records for two calendar years after the end of the year in which created:

1. All occupancy registers and accounting records reflecting the rental of each room for which the operator received rent, and the rents received therefor including as a minimum, but not limited thereto, the following:
 - a. The name, address, date of arrival, date of departure, room rate charged, method of payment, and payment amount for each guest, as recorded on the guest folio or otherwise;
 - b. All periodic statements from financial institutions provided to the operator for accounts in which room rents or room rent taxes were deposited;
 - c. All periodic statements provided to the operator from credit card or debit card processors containing details of guest payment transactions of room rents or room rent taxes; and
 - d. All summary reports and compilation schedules prepared by the operator to produce the totals reported on the tax returns filed in accordance with this chapter.
2. Evidence relied upon by an operator to support the operator's decision to not collect the tax required by this chapter including as a minimum, but not limited thereto, the following:
 - a. All the information and records required under subsection A.1. of this section;
 - b. A record of the method of payment when the exemption is claimed for a room; and
 - c. In the case of a claimed foreign government employee exemption as provided in this chapter, a copy of the diplomatic passport or other identification which shows the diplomatic status/employment of guest and which shall be attached to the guest

record or otherwise cross referenced to that guest record; and

- d. Copies of documents which demonstrate "rent paid directly" or copies of bills, invoices, purchase orders or other payment arrangement made directly between the operator and the person or entity by which the rent was "paid directly." An operator shall cross reference the appropriate guest record with the evidence of direct payment which qualifies for an exemption by attaching a copy of the supporting evidence to the guest record or by reciprocal notations on the affected guest record and on the evidence supporting such an exemption; and
 3. Such other records, documents and information as the department may require by regulation or notice to the operator reasonably necessary and convenient to its administration and enforcement of this chapter.
- B. Any person who, for a fee, performs a service for a lodging facility in the municipality by making or offering to make a room reservation for a guest to that lodging facility, or who collects room rent from a guest, shall keep and maintain within the municipality and make available for inspection by the department upon request at least the following records for not less than two calendar years after the end of the calendar year in which such records are created, unless a longer period is ordered by the chief financial officer under section 12.20.075 or by a court of competent jurisdiction:
1. All reservation and accounting records reflecting the rents and room rent taxes collected;
 2. The name and contact information of guests, the dates rooms are rented to each guest, each rental rate for rooms rented; the room rent tax amount for each room rented; identification or location of each room rented; and
 3. The name of the person controlling the rooms and receiving rents for the rooms rented and the aggregate dollar amount due or paid to such person.
- C. During normal business hours, the chief fiscal officer or a designee may, upon presentation of proper identification, inspect the records which an operator is required to maintain under subsection A. of this section, or inspect the records of a person whom the chief fiscal officer has probable cause to believe is an operator to determine whether that person is an operator.
1. Upon notice of the department's intent to inspect records, an operator shall retain such records and preserve their availability to the department until released by the department in writing, regardless of whether such retention and preservation continues beyond the two-year period specified in this section.
 2. The chief fiscal officer's authority to inspect records shall not be limited to records within the two calendar year retention period. If an operator has possession or control of records described in subsection A. or B. that are older than the two-year period specified in this section, the operator shall make such records available for inspection upon request.

- D. The operator shall make available for inspection within the municipality, all records required to be kept and preserved by this chapter. Records older than the two calendar year retention period specified in this section shall not be barred from discovery under court or administrative rules on relevance or admissibility grounds solely based on the age of the records.
- E. Where the Constitution of the United States or of the state so requires, the chief fiscal officer shall obtain an administrative search warrant authorizing an inspection and exhibit the warrant to the person in charge of the premises before conducting the inspection. The chief fiscal officer shall apply to the trial courts of the state to obtain an inspection warrant, stating in the application the name and address of the premises to be inspected, the authority to conduct the inspection, the nature and extent of the inspection, and the facts and circumstances justifying the inspection. Warrants issued under this section shall be returned within ten days.

(GAAB 10.20.070; AO No. 84-40; AO No. 87-100; AO No. 96-103, § 1, 4-1-97; AO No. 97-3, § 2, 4-1-97; AO No. 2003-102, § 11, 7-15-03; AO No. 2012-105(S), §§ 8, 13, 12-18-12)

12.20.075 - Tax avoidance.

If the department has reasonable cause to believe that an operator has structured room rent transactions to avoid collecting or remitting the tax levied under this chapter, or has wrongfully deceived its guests or the department for the purpose of financial gain, the department may;

- A. Declare there is a rebuttable presumption that the substance of a specific room rent transaction is a taxable transaction under this chapter and proceed to establish, levy and collect the tax together with costs, penalties and interest as provided for in this chapter; and
- B. Order and require the operator to retain and preserve records identified in section 12.20.070 for not more than six years. If the records do not exist, the department may prepare and file an involuntary return on behalf of the operator, as provided in subsection 12.20.050 B.

(AO No. 96-103, § 1, 4-1-97; AO No. 2012-105(S), § 9, 12-18-12)

12.20.080 - Investigation of records by chief fiscal officer. (Repealed)

(AO No. 84-40)

12.20.090 - Tax lien.

- A. Taxes due and not paid on the date required by this chapter, together with all interest, penalties and administration costs accruing thereafter, shall immediately become a lien in favor of the municipality upon all of the operator's real and personal property including rights to such property. Such lien shall continue until all taxes, penalties, interest and administration cost due the municipality have been paid or the lien released in whole or in part.

1. A separate notice of such lien shall be given each operator liable for the taxes by mail, to the address provided in the application for certificate of registration, and shall be recorded in the Anchorage Recording District, Third Judicial District, State of Alaska and any other recording district the department may choose.
 - a. Notice of the lien shall specify the taxpayer(s) liable for payment of the tax, the amount of taxes and the date they were due, a statement of the interest, penalties and administration costs accrued and which may thereafter accrue, the tax period for which the taxes were due and such other information as the department may determine or as may be required by law.
2. No failure or defect in the notice of lien, except as to amount if different than the recording thereof, shall adversely affect the existence or priority of the lien created under this section to the extent of the correct amount which is the same or less than that stated in the recorded lien.

(GAAB 10.20.090; AO No. 96-103, § 1, 4-1-97; AO No. 2003-102, § 12, 7-15-03)

12.20.095 - Collection of taxes.

Taxes, interest, penalties, and administration costs due under this chapter and unpaid may be collected by a civil action for the collection of a debt, by executing a claim against security provided under section 12.20.035, by foreclosure of the tax lien in accordance with AS 09.45.170 through 09.45.220 or similar statutes in substitution thereof, or by any combination of the above.

(AO No. 96-103, § 1, 4-1-97; AO No. 2003-102, § 13, 7-15-03)

12.20.100 - Prohibited acts.

- A. In addition to other acts and omissions prohibited by this chapter:
 1. No person may fail or refuse to pay the tax imposed by this chapter when it is due and payable to an operator authorized to collect the tax.
 2. An operator may not advertise or state to the public or to any guest or renter directly or indirectly that the tax or any part of it will be assumed or absorbed by the operator or that the tax will not be added to the rental or that it will be refunded except as provided in this chapter. An operator may not absorb or fail to add the tax or any part of it or refund any tax or fail to state the tax separately to the renter or guest.
- B. No person may engage in business as an operator without obtaining a certificate of registration under this chapter.
- C.

No operator shall deny the chief fiscal officer, subsequent to identification during normal business hours, access to the operator's required records for purposes of inspection under this chapter.

- D. No person or operator shall charge or collect in excess of the proper amount of tax due under this chapter.

(GAAB 10.20.100; AO No. 96-103, § 1, 4-1-97; AO No. 2003-102, § 14, 7-15-03)

12.20.105 - Interest.

In addition to any penalties imposed by this chapter, interest at the rate of 12 percent per annum shall accrue and be due from the operator on the unremitted balance of taxes after the date on which their remittance was due.

(AO No. 96-103, § 1, 4-1-97)

12.20.110 - Penalties.

- A. An operator who fails to file a tax return within seven calendar days following its due date shall automatically incur a civil penalty for each tax return not filed equal to ten percent of the taxes actually due the municipality. An operator who fails to remit the full amount of any tax due within seven calendar days following its due date shall incur and pay a civil penalty of ten percent of the actual amount of taxes due but remaining unpaid after such date. If a person fails to pay the full amount of the tax due or file a tax return or report required under this chapter within 16 calendar days after its due date, each of the aforementioned civil penalties shall be increased from ten percent to 25 percent.
1. The penalty shall be computed on the unpaid balance of the tax liability as determined by the department.
 2. Notice of the penalties incurred and to be incurred shall be given to the person responsible for payment of the taxes or filing the tax return or report when such tax payment or tax return or report is delinquent for seven calendar days after its due date.
 3. The penalties provided for in this subsection shall be in addition to all other penalties and interest provided for under this chapter.
- B. An operator who willfully fails to collect the tax levied by this chapter shall incur a civil penalty equal to twice the amount of the tax which should have been collected.
- C. The department may revoke a certificate of registration issued under this chapter for any violation of this chapter. If an operator fails to remit substantially all (at least 95 percent) of the taxes due under this chapter within 45 calendar days of the due date, the department shall revoke the operator's certificate of registration issued under this chapter and the operator shall incur a civil penalty up to and including an amount equal to the unpaid delinquent taxes.

- D. A managing member, officer, director, and owner of an enterprise engaged in business as an operator without a certificate of registration issued under this chapter is personally liable for all taxes which should have been collected and remitted to the municipality plus a penalty equal to 25 percent of the tax which should have been collected in addition to all costs, taxes, interest and other penalties due under this chapter. The municipal attorney may petition the court for injunctive relief against a person engaged in business as an operator without a certificate of registration issued under this chapter.
- E. Except an operator who fails to file a tax return and remit taxes when due but does so within 16 calendar days thereafter, a person who fails to remit taxes due under any provision of this chapter is subject to criminal prosecution pursuant to section 8.15.060 and/or section 8.15.080 and to the penalties therein.
- F. Civil and criminal penalties shall be cumulative remedies and shall not relieve an operator or guest of the duties imposed under this chapter.
- G. Any person who violates any provision of this chapter shall be liable for a civil penalty of up to \$1,000.00 for each separate violation. Where multiple instances of the same violation occur, each instance shall constitute a separate violation.
- H. An operator that has failed to file a tax return or remit the taxes due to the municipality by the due date for three consecutive quarters may be required by the department to file tax returns and remit taxes due at the end of each month within 30 days after the end of the month being reported. If the operator subsequently files tax returns and remits taxes due for 12 consecutive months without incurring penalties and interest, the department may allow the operator to resume filing tax returns and remitting taxes quarterly.

(GAAB 10.20.110; AO No. 84-14; AO No. 92-36; AO No. 96-103, § 1, 4-1-97; AO No. 2003-102, §§ 15, 16, 7-15-03; AO No. 2012-105(S), § 10, 12-18-12; AO No. 2014-42, § 42, 6-21-14)

12.20.115 - Remedies for a person aggrieved.

- A. Any person aggrieved by any action or determination of the department under this chapter may apply to the department and request a hearing before the chief fiscal officer on the department's action or determination within 30 days from the date the department mails notice of the department's action or determination.
 - 1. An application for a hearing must notify the department of the specific action or determination complained of and the amount of tax, interest, cost or penalty contested and the reason for such contest.
 - 2. The uncontested portion of any tax due under this chapter shall be paid when due regardless of any application for a hearing. Payment of the total amount due may be made at any time before the hearing. If the department has reasonable cause to believe that collection of the

total amount due might be jeopardized by delay, immediate payment of the total amount may be demanded and the department may pursue any collection remedies provided by law. Payment in full does not affect a person's right to a hearing.

- B. Upon timely application for a hearing under subsection A. of this section, the chief fiscal officer shall hold a hearing and render a decision or determination in accordance with chapter 3.60 to determine whether a correction or reversal of the department's action or determination is warranted.
 - 1. If a person requesting a hearing fails to appear at the hearing, the chief fiscal officer may issue a decision without taking evidence from that person, unless the person shows reasonable cause for failure to appear within seven days after the date scheduled for the hearing.
- C. Within 30 days after receipt of a written decision by the chief fiscal officer, a person aggrieved by the decision may appeal the decision to the Superior Court of the Third Judicial District.
 - 1. The person aggrieved shall be given access to the department's file in the matter for preparation of such appeal.
 - 2. Taxes, costs, penalties, and interest declared to be due in the decision of the chief fiscal officer must be paid within 30 days after the date of the decision or a supersedeas bond guaranteeing their payment must be filed with the court in accordance with Alaska Court Rules of Appellate Procedures.
- D. If after the appeal to the Superior Court is heard it appears that the action or determination of the department and/or the decision of the chief fiscal officer was correct, the court shall confirm such action, determination or decision, as the case may be. If the department's action or determination or the decision of the chief fiscal officer's decision was incorrect, the court may determine the proper action, determination or decision. If the person aggrieved is entitled to recover all or part, of any tax due or paid, the court shall order the repayment and the department shall pay such amount within 14 days and attach a certified copy of the judgment to the payment.
- E. Hearings before the chief fiscal officer under this chapter may, at the option of the chief fiscal officer, be conducted by an administrative hearing officer designated by the chief fiscal officer. If the chief fiscal officer refers such matter to an administrative hearing officer, the administrative hearing officer shall conduct the hearing and prepare findings and conclusions. These findings and conclusions shall be forwarded to the chief fiscal officer for adoption, rejection or modification and issuance of a final order or decision by the chief fiscal officer.

(AO No. 96-103, § 1, 7-30-96; AO No. 2012-105(S), §§ 11, 13, 12-18-12)

12.20.120 - Administrative regulations.

The chief fiscal officer may adopt regulations providing for the application and interpretation of this chapter and providing methods and forms for reporting and collecting the taxes imposed by this chapter.

(GAAB 10.20.120; AO No. 96-103, § 1, 4-1-97)

12.20.130 - Refunds.

- A. If the department determines after audit that an operator's remittance exceeds the actual amount due, the department, upon written request by the operator, shall refund the excess amount to the operator without interest.
- B. The operator shall apply for a refund in writing on a form provided by the department not later than two years from the date the excess payment was transmitted to the department. Any claim for refund filed more than two years after the date of the excess payment is forever barred. For purposes of this section, a refund means payment by the municipality to the operator or book entry by the municipality to offset other current or future amounts due from the operator.
- C. If an operator discovers that it has miscalculated the tax, and the person who rented a room paid more tax than should have been collected, the operator shall refund to the renter the excess amount collected. If the operator has not located the renter and refunded the excess tax collected, the excess tax shall be remitted to the municipality pursuant to section 12.20.050.

(AO No. 79-178, 11-1-79; AO No. 96-103, § 1, 4-1-97; AO No. 2003-102, § 17, 7-15-03; AO No. 2012-105(S), § 12, 12-18-12)

House Bill 220

Statewide Bed Tax

Office of Rep. Andrew Gray

Background Information

- Alaska is the only state without any form of statewide bed tax in the country.
- Alaska receives over 2.5 million tourists annually.

Bed Taxes by State

State	State lodging tax rates
	5% state lodging tax for 16 Mountain Lake counties, 4% state lodging tax for all other counties
Alabama	
Alaska	None
Arizona	5.5% state transaction privilege tax (TPT)
Arkansas	6.5% state sales tax plus 2% state tourism tax
California	None*
Colorado	2.9% state sales tax
Connecticut	15% state room occupancy tax
Delaware	8% state lodging tax
Florida	6% state sales tax
	4% state sales tax, plus \$5/night (nightly tax only for certain facilities)
Georgia	
	14.16% on Maui, 14.69% on Hawaii and Kauai, 14.96% on Oahu
Hawaii	
Idaho	6% state sales tax plus 2% travel and convention tax
Illinois	6% state hotel tax
Indiana	7% state sales tax
Iowa	5% state hotel tax
Kansas	6.5% state sales tax
Kentucky	6% state sales tax plus 1% state transient room tax
Louisiana	4.45% state sales tax
Maine	9% state lodging tax
Maryland	6% state sales tax
Massachusetts	5.7% state room occupancy tax
Michigan	6% state use tax
Minnesota	6.875% state sales tax
Mississippi	7% state sales tax
Missouri	4.225% state sales tax
Montana	7% lodging sales and use tax
Nebraska	5.5% state sales tax, plus 1% state lodging tax
Nevada	None*

	9% state rentals tax
New Hampshire	
	6.625% state sales tax, plus 5% state occupancy tax
New Jersey	
New Mexico	5.125% state gross receipts tax
New York	4% state sales tax
	4.75% state sales tax
North Carolina	
North Dakota	5% state sales tax
Ohio	5.75% state sales tax
Oklahoma	4.5% state sales tax
Oregon	1.8% state lodging tax
Pennsylvania	6% state sales tax
	7% state sales tax, plus 6% state hotel tax, (13%) if renting a hotel or room.
Rhode Island	
	5% state sales tax, plus 2% state accommodation tax
South Carolina	
	4.5% state sales tax, plus 1.5% state tourism tax
South Dakota	
Tennessee	7% state sales tax
Texas	6% state hotel tax
	4.7% state sales tax, plus 0.32% state transient room tax
Utah	
Vermont	9% state rooms tax
Virginia	4.3% state sales tax, plus 1% local sales tax
Washington	6.5% state sales tax
West Virginia	6% state sales tax
Wisconsin	5% state sales tax
Wyoming	4% state sales tax

What does HB 220 do?

- House Bill 220 enacts a 6% statewide bed tax for room rentals that are less than 30 days.
- Applies to hotels, motels, short-term rentals, lodges, etc.
- State bed tax would be in addition to any municipal bed taxes.
- Would raise approx. \$60 million annually for the state.

Thank You

Questions?

Rep. Andrew Gray

Rep.Andrew.gray@akleg.gov

David Song

David.song@akleg.gov



MEMORANDUM

Item Type: Action Memorandum Community Recreation
Prepared For: Parks, Arts, Recreation & Culture Advisory Commission
Date: July 28, 2025
From: Mike Illg, Recreation Manager/Staff Liaison

Topic: Management Committee member assignment from PARCAC

Information: The City of Homer and Kenai Peninsula Borough School District has recently signed a one year Joint Use Agreement/MOU for the Community Recreation program for FY26. This agreement relates to the use of the Homer High and Homer Middle School facilities and equipment for the city's municipal recreation operations.

Staff have proposed including one member of PARCAC to serve on the management committee (includes recreation manager, local principals, city manager, KPBSD administrator). The management committee meets once a year to review and discuss the MOU.

Recommendation:

Appoint a PARCAC member to the Joint Use Management Committee. Request volunteers and select by majority vote.

Attachment:

Joint Use Facilities & Equipment Agreement

**AGREEMENT FOR JOINT USE OF EQUIPMENT
AND FACILITIES AND SUMMER FIELDS SCHEDULING**

THIS AGREEMENT, made this June 10, 2025, is between the Kenai Peninsula Borough School District, hereinafter referred to as "KPBSD" and the City of Homer, Alaska, hereinafter referred to as "CITY".

WHEREAS, the KPBSD and the CITY share common goals to provide opportunities and activities for the physical, mental and cultural development of their respective client groups through the Community Recreation Program, and

WHEREAS, there is a need for scheduling school field use during the summer when school administrators may be unavailable, and

WHEREAS, the benefits from limited financial resources can be maximized by the KPBSD and the CITY working together to provide facilities and programs to achieve their common goals.

NOW, THEREFORE, WITNESSETH:

In consideration of the premises and agreements contained herein, the parties hereto agree as follows:

ARTICLE 1 – COMMUNITY RECREATION PROGRAM

- 1.1. CITY OF HOMER-COMMUNITY RECREATION PROGRAM.** The CITY agrees to provide year-round indoor and outdoor educational and recreational programs among children, youth, young adults and adults in various sports, special events, hobbies, educational and other recreational activities known as the Community Recreation Program. Recognizing that this program uses school buildings, fields, infrastructure and equipment, the extent, content, and management of the program shall be decided by the CITY with guidance and advice provided by the KPBSD and the Homer Middle School and Homer High School principals. Use of Homer High and Homer Middle Schools and equipment for this program is subject to the advance approval of the appropriate KPBSD administrator(s) who are responsible for such buildings and equipment.
- 1.2. COMMUNITY RECREATION PROGRAM CONTENT.** This program is comprised of the following:
 - a. Community Recreation Program classes; and
 - b. Scheduled physical activities such as basketball, pickleball and volleyball; and
 - c. Scheduled educational classes such as Spanish, art programs, community band;
 - d. Periodic special events held in the school's theater, such as film festivals and musical performances, etc. (limit 2 per school year as available).
- 1.3 PERSONNEL.** The CITY of Homer shall hire qualified personnel to organize, supervise, direct and implement the educational and recreational program services and help ensure building security. Such personnel shall be located in the schools as needed The Recreation Program Manager will work under the supervision of the City Manager, or his/her designee, and both the Program Manager and City Manager shall ensure that all activities of the Program Manager are done in

cooperation with the KPBSD and the Homer Middle School and Homer High School principals, and in accordance with the provisions of this agreement and school board policy. All personnel employed with the Community Recreation Program shall be employees, staff and volunteers of the City of Homer and the personnel regulations and evaluation procedures of the CITY shall apply. All Community Recreation employees, staff and volunteers shall complete and pass an annual background check through the KPBSD background check system at no cost to the City in addition to completing the online concussion training requirement.

1.4. THE MANAGEMENT COMMITTEE. The KPBSD will form a Management Committee consisting of Homer Middle School and Homer High School principals, and the Director of Planning and Operations. The Homer High School Athletic/ Activities Director. The Management Committee will meet annually or as needed with the City Manager or his/her designee, a member of the city's Parks, Art, Recreation and Culture Advisory Commission and the Recreation Program Manager. At meetings the CITY will submit for review by the Management Committee a written and/or oral narrative of the programs and activities conducted during the previous year and those planned for the future. The Program Manager will provide weekly communication with building administrators regarding programming schedules and related facility use topics. The KPBSD retains the right to review the proposed programs and activities and make suggestions concerning same, and to reject proposals that are inconsistent with KPBSD policies or applicable law related to the use of KPBSD facilities and equipment by the public. Reasonable informational reports shall be made by the Program Manager upon request in addition to the reports provided during the annual meetings.

1.5. USE OF FACILITIES. The KPBSD agrees to make its facilities at Homer Middle and Homer High Schools available for use by the Recreation Program subject to the terms and conditions of this agreement and applicable KPBSD policies. The KPBSD will be responsible for building and grounds maintenance, utilities to include water, sewer, electricity, and heating fuel, provided that the Recreation Manager shall promptly notify the KPBSD and building administrator of any damage done to KPBSD facilities by either the Recreation Program instructors or participants, or otherwise observed by the Recreation Manager.

Except as otherwise agreed herein, the KPBSD agrees to make the above mentioned public school facilities available for education/recreation program activities according to the stipulations of BP 1330, Use of School Facilities and Properties, with the provision that preference in the scheduling of them shall be given to the organized activities of the Kenai Peninsula Borough schools. The CITY programs will have priority category 1 use, below student activities as defined AR1330, subject to the discretion of the building Administrator. For those activities requiring the use of the high school's swimming pool the building use form will be utilized and the appropriate fees assessed according to BP 1330 on a case by case basis. No later than April 30 of each contract year, the CITY agrees to pay to the KPBSD technical fees charged to the CITY for the use of the Mariner Theater, and an annual fee of ten thousand (\$10,000) dollars for indoor and outdoor custodial services and supplies that are used by the Recreation Program. The fees may also be used for equipment as determined by the District. The District will determine the distribution of the annual fee between the school sites as appropriate. Should a scheduling conflict arise, the appropriate principal shall give the Recreation Program Manager at least one week notice when

possible. The Homer High School and Homer Middle School principals will consult with the Recreation Program Manager prior to booking private rentals within the facilities and fields (with the exception of the theater and pool) to avoid potential scheduling conflicts.

As circumstances allow, the KPBSD agrees to provide the Recreation Manager with office space and use of copier provided that the Manager may not use KPBSD office supplies other than those provided to the Manager by the KPBSD, or the copier for more than 150 copies per month, without first obtaining advance approval of the building administrator. The CITY shall promptly reimburse the KPBSD for any unauthorized costs incurred by the Recreation Manager.

The Recreation Manager, staff or volunteers will be responsible for building security when activities are held after hours or they are the sole occupants of the school. The Recreation Manager will not be responsible for security in areas where KPBSD events are concurrently running or activities of groups not associated with Community Recreation are being held.

The Recreation Manager is not authorized by this agreement, except summer activities otherwise specified in Article 2 or by amendment, to schedule any events or programs that are not part of the Recreation Program and is prohibited from using the KPBSD facilities, equipment, computer, copier, office space or supplies in any way to schedule any such events or programs. Further, the Manager and Recreation Program are not authorized to expand their program offerings in KPBSD facilities beyond the scope of the present status quo for the duration of this agreement without the written consent of respective building administrators.

1.6. FISCAL AGENT. The CITY shall act as the sole fiscal agent for the conduct of the Recreation Program Coordinator position in Homer.

1.7. HOLD HARMLESS. The CITY shall hold harmless the KPBSD and its officers, directors and employees from and against any and all damages, losses, claims, lawsuits, or liability, including attorney's fees and costs, of every kind arising out of loss, damages, whether tangible or intangible, or injury, including death, to persons or property sustained by the KPBSD, its employees and its volunteers, or any or all of them, from any cause arising out of or in the course of or in connection with its negligent use of KPBSD facilities, equipment and supplies and the performance or negligent performance of both its obligations and those of the Coordinator under this agreement, subject to the appropriation and availability of funds.

The KPBSD shall hold harmless the CITY and its officers and employees from and against any and all damages, losses, claims, lawsuits, or liability, including attorney's fees and costs, of every kind arising out of loss, damage, or injury, including death, to persons or property sustained by the KPBSD, its employees and its volunteers, or any or all of them, from any cause arising out of or in the course of the KPBSD's performance or negligent performance of its obligations under this agreement, subject to the appropriation and availability of funds.

1.8. INSURANCE. The KPBSD will maintain comprehensive general liability insurance for claims arising against the activities of the KPBSD pursuant to this agreement. The CITY will maintain

comprehensive general liability insurance for claims arising against the CITY concerning the Recreation Program pursuant to this agreement. CITY must name KPBSD as an additional insured. KPBSD must name CITY as an additional insured.

- 1.9. EQUIPMENT.** The KPBSD has various equipment and supplies used in the conduct of its programs that may, upon request and approval, be made available to facilitate and support the provision of recreational and educational programs conducted under this agreement. It is understood by both the KPBSD and the CITY that equipment or supplies traditionally provided to the Recreation Program will continue to be made available. Any equipment used by the CITY will be stored as found and any damage to equipment must be reported within 24 hours to the Building Principal. The CITY agrees to repair or replace any equipment that may be damaged while in their use or care.

ARTICLE 2 – SUMMER FIELD USE

- 2.1. SCHEDULING OF SUMMER FIELDS.** The CITY will schedule and issue facility use agreements in the summer months for the KPBSD.
- 2.2. SERVICES.** The CITY will provide personnel to schedule various group usages of the Homer High School and Homer Middle School fields within the City of Homer and issue related facility use agreements, waivers and perform incidental related tasks for dates where school is not in session in the months of May through August.
- 2.3. COMPENSATION.** The KPBSD will compensate the CITY \$500.00 per summer for these summer scheduling services by June 30th.
- 2.4. HOLD HARMLESS.** In recognition that the CITY is only providing scheduling services on behalf of the KPBSD and not administering any of the programs or persons that may be using the fields under a KPBSD facility use agreement the KPBSD, to the extent allowed by law and subject to appropriation, shall indemnify, hold harmless, and defend the CITY from and against any claims of, or liability for, any wrongful or negligent act, error, or omission of the KPBSD or any subcontractor with regards to summer use of the fields under a KPBSD facility use agreement. The KPBSD shall not be required to defend or indemnify the CITY for any claims of, or liability for, any wrongful or negligent act, error, or omission solely due to the independent negligence of the CITY. If there is a claim of, or liability for, the joint negligence of KPBSD and the independent negligence of the CITY, the indemnification and hold harmless obligation shall be apportioned on a comparative fault basis. Apportionment shall be determined upon final determination of percentage of fault. If any such determination is by settlement, the percentage of fault attributed to each party for purposes of this indemnification provision shall only be binding upon the parties included in the settlement agreement. "KPBSD" and the "CITY" as used in this article include the employees, agents, officers, directors, and other contractors who are directly responsible, respectively, to each.


ARTICLE 3 – GENERAL CLAUSES

- 3.1. TERM.** This Agreement is effective for a term commencing July 1, 2025 and ending on June 30, 2026, unless terminated earlier pursuant to Article 3.3 of this Agreement, or unless extended as hereinafter provided in Article 3.2.
- 3.2. RENEWAL.** This Agreement may be extended on a year-by-year basis by mutual written agreement of the parties.
- 3.3. TERMINATION.** Either party may terminate this Agreement in whole or in part at any time without cause by giving written notice to the other party of such termination at least thirty (30) days before the effective date of such termination.
- 3.4. AMENDMENT.** This Agreement may be amended only by a written document executed by the parties.
- 3.5. AUTHORIZED AGENTS.** The individuals authorized to act as the agents on behalf of the parties to this agreement are:

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
 Kari Dendurent, Assistant Superintendent
 148 North Binkley Street
 Soldotna, Alaska 99669
 (907) 714-8888

CITY OF HOMER
 Melissa Jacobsen, City Manager
 491 East Pioneer Avenue
 Homer, Alaska 99603
 (907) 235-8121

The parties do hereby set their hands and seals on the dates provided below.



 Kari Dendurent



 Melissa Jacobsen

STATE OF ALASKA)
) ss
 THIRD JUDICIAL DISTRICT)

STATE OF ALASKA)
) ss
 THIRD JUDICIAL DISTRICT)

SUBSCRIBED AND SWORN TO before me
 this 1st day of July, 20 25.

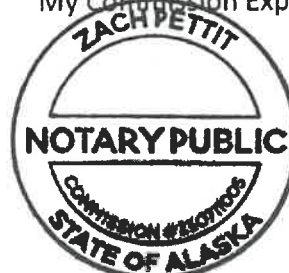
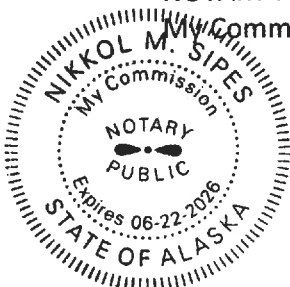
SUBSCRIBED AND SWORN TO before me
 this 25 day of June, 20 25.



 NOTARY PUBLIC
 My Commission Expires: 06-22-2026



 NOTARY PUBLIC
 My Commission Expires: 7/11/27



Resolution of the City of Homer Parks, Arts, Recreation and Culture Citizens Advisory Commission

Whereas, The City of Homer and its local environs depend on the swimming pool at the Kay Kuhns Aquatic Center (“Homer Pool”) to learn how to swim safely, for exercise, training for competitive sports, and recreation; and

Whereas, the Kenai Peninsula Borough School District (“School District”) has indicated it may not fund the Homer Pool in the future; and

Whereas, the School District has further indicated that local communities need to fund the operations and maintenance of their swimming pools if they want to keep them open; and

Whereas, the School District has further indicated that without such local funding, the School District will close pools; and

Whereas, the Homer Parks, Arts, Recreation and Culture Citizens Advisory Commission (“PARCAC”) desires that the City of Homer research (a) the consequences of closing the Homer Pool and (b) possible funding sources that would enable the Homer Pool to stay open.

Now therefore, the PARCAC respectfully recommends the following recommendation to the Homer City Council (“City Council”):

1. That the City Council appoint a Homer Pool Task Force with the purpose of:
 - a. Investigating the likely consequences of closing the Homer Pool; and
 - b. Researching options for funding the continued operation of the Homer Pool;
 - c. Reporting findings, conclusions, and recommendations to the Homer City Council.
2. That the Homer Pool Task Force include the following:
 - a. People from both inside and outside the limits of the City of Homer;
 - b. Public Comment as part of the investigations and research; and

Signed this _____ day of _____ 2025.

PARKS ART RECREATION & CULTURE ADVISORY COMMISSION

2025 Calendar

	AGENDA DEADLINE	MEETING	COMMISSIONER SCHEDULED TO REPORT	CITY COUNCIL MEETING FOR REPORT*	ANNUAL TOPICS/EVENTS
JANUARY				No Regular Meeting	
FEBRUARY	Wednesday 2/12 5:00 p.m.	Thursday 2/20 5:30 p.m.		Monday 2/24 6:00 p.m.	<ul style="list-style-type: none"> • Strategic Plans and Goals Review
MARCH	Wednesday 3/12 5:00 p.m.	Thursday 3/20 5:30 p.m.		Tuesday 3/24 6:00 p.m.	
APRIL	Wednesday 4/09 5:00 p.m.	Thursday 4/17 5:30 p.m.		Monday 4/28 6:00 p.m.	<ul style="list-style-type: none"> • Schedule Art Gallery Walkthrough for May • Worksession- Commission Training w/ City Clerk
MAY	Wednesday 5/07 5:00 p.m.	Thursday 5/15 5:30 p.m.		Tuesday 5/27 6:00 p.m.	<ul style="list-style-type: none"> • Museum/Art Gallery Walkthrough •
JUNE	Wednesday 6/11 5:00 p.m.	Thursday 6/19 5:30 p.m.		Monday 6/23 6:00 p.m.	
JULY				No Regular Meeting	
AUGUST	Wednesday 8/13 5:00 p.m.	Thursday 8/21 5:30 p.m.		Monday 8/25 6:00 p.m.	<ul style="list-style-type: none"> • CIP Project Recommendations •
SEPTEMBER	Wednesday 9/10 5:00 p.m.	Thursday 9/18 5:30 p.m.		Monday 9/22 6:00 p.m.	<ul style="list-style-type: none"> • Schedule Park Clean Up Day for October • Reappointment Notices & Applications Issued by Clerk's Office
OCTOBER	Wednesday 10/08 5:00 p.m.	Thursday 10/16 5:30 p.m.		Monday 10/27 6:00 p.m.	<ul style="list-style-type: none"> • Park Clean Up Day • Terms Expire October 31st • Approve 2026 Meeting Schedule • PARC Budget Discussion & Review with Staff
NOVEMBER	Wednesday 11/12 5:00 p.m.	Thursday 11/20 5:30 p.m.		Monday 11/24 6:00 p.m.	<ul style="list-style-type: none"> • Election of Chair & Vice Chair • Worksession Commission Training w/City Clerk
DECEMBER				No Regular Meeting	

*The Commission's opportunity to give their report to City Council is scheduled for the Council's regular meeting following the Commission's regular meeting, under Agenda Item 8 – Announcements/ Presentations/ Borough Report/Commission Reports. Reports are the Commission's opportunity to give Council a brief update on their work. Attend via Zoom or in Person. Masks are optional**