

## REGULAR MEETING AGENDA

1. **Call to Order**
2. **Approval of Agenda**
3. **Public Comment:** The public may speak to the Commission regarding matters on the agenda that are not scheduled for public hearing or plat consideration. (3 minute time limit).
4. **Reconsiderations:** None
5. **Adoption of Consent Agenda**

All items on the consent agenda are considered routine and non-controversial by the Planning Commission and are approved in one motion. There will be no separate discussion of these items unless requested by a Planning Commissioner or someone from the public, in which case the item will be moved to the regular agenda.

  - A. HAPC minutes from Feb. 17, 2016 **Page 1**
6. **Presentations:** None
7. **Reports:** Staff Report PL 16-14 City Planner's Report **Page 5**
8. **Public Hearings:** None. Testimony limited to 3 minutes per speaker. The Commission conducts Public Hearings by hearing a staff report, presentation by the applicant, hearing public testimony and then acting on the Public Hearing items. The Commission may question the public. Once the public hearing is closed the Commission cannot hear additional comments on the topic. The applicant is not held to the 3 minute time limit.
  - A. Staff Report PL 16-15 Draft ordinance 16-15 amending HCC 21.12.020 to permit accessory detached dwelling units in the Rural Residential Zoning District. **Page 7**
9. **Plat Consideration:** None
10. **Pending Business:**
  - A. Staff Report 16-16 Comprehensive Plan Update. Background Information and Energy Chapters **Page 13**
11. **New Business:** None
12. **Informational Materials:** City Manager's Report for Feb. 22, 2016 **Page 32**
13. **Comments of the Audience:** Members of the audience may address the Commission on any subject. (3 min limit)
14. **Comments of Staff**
15. **Comments of the Commission**
16. **Adjournment:** Next regular meeting is scheduled for March 16, 2016. Meetings will adjourn promptly at 9:30 p.m. An extension is allowed by a vote of the Commission.



Session 16-04, a Regular Meeting of the Homer Advisory Planning Commission was called to order by Chair Stead at 6:30 p.m. on February 17, 2016 at the City Hall Cowles Council Chambers located at 491 E. Pioneer Avenue, Homer, Alaska.

PRESENT: COMMISSIONERS BOS, HIGHLAND, STEAD, STROOZAS, VENUTI

ABSENT: BRADLEY, ERICKSON

STAFF: CITY PLANNER ABBOUD  
DEPUTY CITY CLERK JACOBSEN

### **Approval of Agenda**

Chair Stead called for a motion to approve the agenda.

HIGHLAND/BOS SO MOVED.

There was no discussion.

VOTE: NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

### **Public Comment**

The public may speak to the Planning Commission regarding matters on the agenda that are not scheduled for public hearing or plat consideration. (3 minute time limit).

### **Reconsideration**

### **Adoption of Consent Agenda**

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

- A. Approval of Minutes of February 3, 2016 Regular Meeting Minutes
- B. Decision and Findings for CUP 16-01 at 3902 Shelford Street for a Birthing Center

Chair Stead called for a motion to approve the consent agenda.

HIGHLAND/STROOZAS SO MOVED.

Commissioner Venuti clarified the borough pc is the regulatory authority not regulatory commission.

VOTE: NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

**Presentations**

**Reports**

- A. Staff Report PL 16-11, City Planner’s Report

City Planner Abboud reviewed the status of the marijuana ordinances that are scheduled before City Council at their next meeting. He updated the Commission about what was addressed at the last City Council public hearing including rural residential, buffers, and commercial activity on the spit.

There was brief discussion about Hickerson Cemetery, but City Planner Abboud said he didn’t have a report yet from the neighborhood meeting.

**Public Hearings**

Testimony limited to 3 minutes per speaker. The Commission conducts Public Hearings by hearing a staff report, presentation by the applicant, hearing public testimony and then acting on the Public Hearing items. The Commission may question the public. Once the public hearing is closed the Commission cannot hear additional comments on the topic. The applicant is not held to the 3 minute time limit.

**Plat Consideration**

**Pending Business**

**New Business**

- A. Staff Report PL 16-12 Draft Ordinance 16-xx amending HCC 21.12.020 to simplify code language in the Rural Residential District regarding detached dwelling units

City Planner Abboud reviewed the staff report.

There was brief discussion about dimensional requirements regulating septic requirements, whether a lot must be served by city sewer and when a septic is allowed.

Commissioner Bos expressed his concern about a second dwelling being built and using an existing septic tank.

VENUTI/HIGHLAND MOVED TO APPROVE THE DRAFT ORDINANCE AMENDING 21.12.020 TO SIMPLIFY CODE LANGUAGE IN THE RURAL RESIDENTIAL DISTRICT REGARDING DETACHED DWELLINGS

There was no discussion.

VOTE: NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

- B. Staff Report PL 16-13 Comprehensive Plan Update

City planner Abboud reviewed the staff report.

The Commission started their review of the Energy Chapter. Discussion points included:

- Some of the implementation tables aren't realistic.
- We need to look at why things haven't moved forward and what it might take to make them more realistic.
- Assign a City staff person who has a passion for this to implement the climate action plan and energy.
- City government should set the standard and be the example for the community.
- Tidal and wind power are showing that they aren't feasible for the City overall, but solar energy is an area to address.
- The City has a revolving energy fund and Public Works tracks the energy used by the facilities.
- Putting natural gas throughout the city is a major component in a long range energy plan that we don't really have.
- We need outreach to the community to help educate on reduce, reuse, and recycle.
- HEA is a cooperative that reaches a lot more people than the City of Homer would have to be the first partner. They have a lot of information already and know the most about it.
- Design of new city buildings needs to be done by architects who are knowledgeable about energy saving components such as a ground source heat pump which would have worked great for the new Harbormaster building, also solar heating and solar gain.
- Promote a bike-able and walkable community and improvements to better accommodating could be a way to address reducing fossil fuels.
- Develop an energy plan.
- Look for volunteer groups to help implement, for example the Center for Alaskan Coastal Studies has a program for picking up recycling.
- The City has a Sustainability Guide Book for employees.
- Carpooling and public transportation.
- People may not know what renewable resources are and may not have by products. This relates to a statement in the Comp Plan about encouraging people using renewable resources.

City Planner Abboud will bring more information back at their next meeting.

### **Informational Materials**

A. City Manager's Report

### **Comments of the Audience**

### **Comments of Staff**

### **Comments of the Commission**

Commissioner Stroozas said he will be absent from the next two meetings.

Commissioner Bos said it was a good meeting. He explained the way he approaches the Comprehensive Plan is the way he did last time, in looking at specific sentences and it seemed to help people get engaged. If you don't like a sentence, bring it up and they can discuss it.

Commissioner Highland commented she is scheduled for the February 22<sup>nd</sup> council meeting and will update them on the draft zoning ordinance and comp plan work they did tonight.

There was brief discussion about refraining from making comment on behalf of the Commission regarding the marijuana zoning.

Commissioner Venuti commented about their work on the zoning for marijuana ordinance and developing their decision on rural residential. After hearing testimony at the City Council meeting he wishes he could reverse his decision. He has come to the conclusion that if it's too stringent the City won't gain anything and the black market will continue to control it.

Chair Stead commented it was a good meeting and he appreciates all the input from the group. He has difficulty with things like the Comprehensive Plan because there are no specifics, but he realizes the City doesn't have the resources to be in charge of everything inside the plan so we have to be careful there.

### **Adjourn**

There being no further business to come before the Commission, the meeting adjourned at 8:54 p.m. The next regular meeting is scheduled for March 2, 2016 at 6:30 p.m. in the City Hall Cowles Council Chambers. A worksession will be held at 5:30 p.m.

---

MELISSA JACOBSEN, CMC, DEPUTY CITY CLERK

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



# City of Homer

[www.cityofhomer-ak.gov](http://www.cityofhomer-ak.gov)

## Planning

491 East Pioneer Avenue  
Homer, Alaska 99603

[Planning@ci.homer.ak.us](mailto:Planning@ci.homer.ak.us)

(p) 907-235-3106

(f) 907-235-3118

### Staff Report 16-14

TO: Homer Advisory Planning Commission  
FROM: Rick Abboud, City Planner  
DATE: March 2, 2016  
SUBJECT: City Planner's Report

---

**The Marijuana Ordinance** drew a full house at the City Council public hearing on Feb. 22nd. A second public hearing is scheduled for March 14<sup>th</sup> for an ordinance (16-07(A) that proposes a vote to prohibit commercial marijuana on April 19<sup>th</sup>. The marijuana zoning ordinance is up for reconsideration to make sure that it was adopted without a provision for cultivation in the rural residential district and to ensure that it would only be in effect after an appropriate result to the referendum.

**Beach Policy:** Dave Lewis' amendment passed that allows vehicles on a portion of the beach near the seawall, only during the winter months. See map in council chamber.

**Public Safety Building.** City Council approved a \$12 million (maximum) bond proposition that will be on the fall ballot.

**Towers:** The Tower Ordinance first reading before the City Council is scheduled for March 29<sup>th</sup>. I will provide an overview at the Committee of the Whole starting at 5pm.

**Hickerson Memorial Cemetery:** See the City Manager's Report, page 3. Some direction was suggested for review by the Planning Commission. I will work with the City Manager to help guide our conversation. Some thoughts included a no build option, fencing options, and niche wall for urns, and options for vaulting the embalmed. The current proposition raises the fee to \$1000 and the addition of most any of these suggestions funded by the city will add to that. More to come.

**Strategic Doing:** I will be providing information regarding the Comprehensive Plan Update to the City Council at their Strategic Doing Session at the 4pm Work Session, March 29<sup>th</sup>.

**State Hazard Mitigation Grant Program (HMGP):** This assists local governments to implement long-term hazard mitigation. This program provides funding for 75% of an approved cost of purchasing an at-risk property, leaving the municipality to provide a 25% match. In Homer, this could include the purchase of eroding parcels with frontage on

Kachemak Bay and the Sterling Highway. The Planning staff is compiling a list of properties that the City, ADOT and the utility companies would like to see in public ownership. We will talk to these organizations about their interest in contributing matching funds.

**KPB Planning Commission:**

Approved time extension requires for Tulin Terrace Sub. East Terrace  
Granted conditional approval to the Waddell Park 2015 Replat

A reminder of the schedule for the Commissioners to present at the council meetings.

March 14<sup>th</sup> \_\_\_Tom Bos\_\_\_\_\_

March 29<sup>rd</sup> \_\_\_\_\_\*Tuesday

April 11<sup>th</sup> \_\_\_\_\_

April 25<sup>th</sup> \_\_\_\_\_

May 9<sup>th</sup> \_\_\_\_\_

May 23<sup>rd</sup> \_\_\_\_\_





# City of Homer

[www.cityofhomer-ak.gov](http://www.cityofhomer-ak.gov)

## Planning

491 East Pioneer Avenue  
Homer, Alaska 99603

[Planning@ci.homer.ak.us](mailto:Planning@ci.homer.ak.us)

(p) 907-235-3106

(f) 907-235-3118

### Staff Report PL 16-15

TO: Homer Advisory Planning Commission  
FROM: Rick Abboud, City Planner  
DATE: March 2, 2016  
SUBJECT: Ordinance amending 21.12.020, accessory dwelling units in the Rural Residential District

---

#### Introduction

At the February 17, 2016 HAPC meeting, the HAPC reviewed the attached draft ordinance. This code amendment simplifies the Rural Residential code by clarifying that one additional dwelling unit (assessor to a principle single family dwelling) may be proposed regardless of the size of a lot, when it continues to be subject to the existing dimensional requirements that apply to the district, per HCC 21.12.040. The dimensional requirements are dependent on type of on-site water and wastewater service.

The City Attorney's draft ordinance does not change land use rights. The full ordinance is attached; the specific code change is below.

#### Analysis

s. One detached dwelling unit, excluding mobile homes, as an accessory building to a principal single family dwelling on a lot **subject to the requirements of HCC 21.12.040** serviced by City water and sewer services in compliance with HCC Title 14;

~~t. One detached dwelling unit, excluding mobile homes, as an accessory building to a principal single family dwelling on a lot that is over one acre and not serviced by City water and sewer services.~~

**Staff Recommendation:** Hold a public hearing and make recommendations to City Council. If any substantial changes are made, the ordinance may need an additional public hearing.

#### Attachments

1. Draft Ordinance 16-xx
2. Memo 16-02

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29  
30  
31  
32  
33  
34  
35  
36  
37  
38  
39  
40  
41  
42  
43  
44

**CITY OF HOMER  
HOMER, ALASKA**

**ORDINANCE 16-**

AN ORDINANCE OF THE CITY COUNCIL OF HOMER, ALASKA,  
AMENDING HOMER CITY CODE 21.12.020, PERMITTED USES AND  
STRUCTURES; REGARDING THE PERMISSION OF DETACHED  
DWELLING UNITS IN THE RURAL RESIDENTIAL ZONING DISTRICT.

THE CITY OF HOMER ORDAINS:

Section 1. Homer City Code 21.12.020, Permitted Uses and Structures, is amended to read as follows:

21.12.020 Permitted uses and structures. The following uses are permitted outright in the Rural Residential District:

- a. Single-family dwelling;
- b. Duplex dwelling;
- c. Multiple-family dwelling, only if the structure conforms to HCC 21.14.040(a)(2);
- d. Public parks and playgrounds;
- e. Rooming house, bed and breakfast and hostel;
- f. Home occupations, provided they conform to the requirements of HCC 21.51.010;
- g. Agricultural activities, including general farming, truck farming, livestock farming, nurseries, and greenhouses; provided, that:
  - 1. Other than normal household pets, no poultry or livestock may be housed and no fenced runs may be located within 100 feet of any residence other than the dwelling on the same lot;
  - 2. No retail or wholesale business sales office is maintained on the premises;
- h. Private stables;
- i. Private floatplane tie-down as an accessory use incidental to residential use;

**[Bold and underlined added.] Deleted language stricken through.**

45 j. Storage of personal commercial fishing gear in a safe and orderly manner and separated  
46 by at least five feet from any property line as an accessory use incidental to residential use;

47  
48 k. As an accessory use incidental to residential use, the private outdoor storage of  
49 noncommercial equipment, including noncommercial trucks, boats, and not more than one  
50 recreational vehicle in a safe and orderly manner and separated by at least five feet from any  
51 property line, provided no stored equipment, boat or vehicle exceeds 36 feet in length;

52  
53 l. Other customary accessory uses incidental to any of the permitted uses listed in the RR  
54 district; provided, that no separate permit shall be issued for the construction of any detached  
55 accessory building prior to that of the main building;

56  
57 m. Temporary (seasonal) roadside stands for the sale of produce grown on the premises;

58  
59 n. Mobile homes, subject to the requirements of HCC 21.54.100;

60  
61 o. Day care homes; provided, however, that outdoor play areas must be fenced;

62  
63 p. Recreational vehicles, subject to the requirements of HCC 21.54.320;

64  
65 q. Open space, but not including outdoor recreational facilities described in HCC  
66 21.12.030;

67  
68 r. As an accessory use, one small wind energy system per lot having a rated capacity not  
69 exceeding 10 kilowatts;

70  
71 s. One detached dwelling unit, excluding mobile homes, as an accessory building to a  
72 principal single family dwelling on a lot **subject to the requirements of HCC 21.12.040**  
73 ~~serviced by City water and sewer services in compliance with HCC Title 14;~~

74  
75 ~~t. One detached dwelling unit, excluding mobile homes, as an accessory building to a~~  
76 ~~principal single family dwelling on a lot that is over one acre and not serviced by City water and~~  
77 ~~sewer services.~~

78  
79 Section 2. This Ordinance is of a permanent and general character and shall be included  
80 in the City Code.

81  
82  
83 [continued on next page]

84  
85  
86 ENACTED BY THE CITY COUNCIL OF HOMER, ALASKA, this \_\_\_\_\_ day of  
87 \_\_\_\_\_ 2016.

88  
**[Bold and underlined added.** Deleted language stricken through.]

89  
90  
91  
92  
93  
94  
95  
96  
97  
98  
99  
100  
101  
102  
103  
104  
105  
106  
107  
108  
109  
110  
111  
112  
113  
114  
115  
116  
117

CITY OF HOMER

\_\_\_\_\_  
BETH WYTHER, MAYOR

ATTEST:

\_\_\_\_\_  
JO JOHNSON, CMC, CITY CLERK

YES:

NO:

ABSTAIN:

ABSENT:

First Reading:

Public Hearing:

Second Reading:

Effective Date:

Reviewed and approved as to form:

\_\_\_\_\_  
Katie Koester, City Manager

Date: \_\_\_\_\_

\_\_\_\_\_  
Thomas F. Klinkner, City Attorney

Date: \_\_\_\_\_

**[Bold and underlined added.] Deleted language stricken through.**



## City of Homer

[www.cityofhomer-ak.gov](http://www.cityofhomer-ak.gov)

## Planning

491 East Pioneer Avenue  
Homer, Alaska 99603

Planning@ci.homer.ak.us  
(p) 907-235-3106  
(f) 907-235-3118

### Memorandum PL 16-02

TO: Homer Advisory Planning Commission  
THROUGH: Rick Abboud, City Planner  
FROM: Dotti Harness-Foster, Planning Technician  
DATE: March 2, 2016  
SUBJECT: Draft Ordinance 16-XX Amending HCC 21.12.020 to allow an accessory dwelling unit in the Rural Residential District

---

**This memo contains the planning staff review of the zoning code amendment as required by HCC 21.95.040.**

This particular amendment proposes no regulatory changes to the code. It simplifies code by clearly indicating the prevailing regulations in relation to dimensional requirements.

**21.95.040 Planning Department review of code amendment.** The Planning Department shall evaluate each amendment to this title that is initiated in accordance with HCC 21.95.010 and qualified under HCC 21.95.030, and may recommend approval of the amendment only if it finds that the amendment:

**a.** Is consistent with the comprehensive plan and will further specific goals and objectives of the plan.

Comprehensive Plan Chapter 4, Goal 3 Object A states: "Create a clear, coordinated regulatory framework that guides development." One of the implementation strategies states: "Provide a clear and predictable approval process for every development including organizing project review and permitting and providing appropriate staff review."

*Staff response:* This amendment is found to further a specific goal and objective. It has not been found to be inconsistent with the Comprehensive Plan.

**b.** Will be reasonable to implement and enforce.

*Staff response:* This code amendment will be reasonable to implement and enforce as it does not alter any implementation or enforcement concerns.

**c.** Will promote the present and future public health, safety and welfare.

*Staff response:* The standards for a private well and septic system are still required for more than one dwelling unit that is not connected to City Water and Sewer. Public health, safety, and welfare continue to be promoted.

**d.** Is consistent with the intent and wording of the other provisions of this title.

*Staff response:* The amendments have been reviewed by the City Attorney and are deemed consistent with the intent and wording of the other provision of this title.

**21.95.010 Initiating a code amendment.**

*Staff response:* The City Planner initiated the code amendment at the February 17, 2016 meeting per 21.95.010(d).

**21.95.030 Restriction on repeating failed amendment proposals.**

*Staff response:* This section of code is found to be not applicable.



# City of Homer

[www.cityofhomer-ak.gov](http://www.cityofhomer-ak.gov)

## Planning

491 East Pioneer Avenue  
Homer, Alaska 99603

[Planning@ci.homer.ak.us](mailto:Planning@ci.homer.ak.us)

(p) 907-235-3106

(f) 907-235-3118

### Staff Report PL 16-16

TO: Homer Advisory Planning Commission  
FROM: Rick Abboud, City Planner  
DATE: March 2, 2016  
SUBJECT: Comprehensive Plan Chapters 9 and 2

---

This staff report is in two parts: Chapter 9 Energy is discussed first, and Chapter 2 Background Information, is second.

**Requested action:** Complete work on Chapter 9, and identify any major trends missing from Chapter 2.

### Chapter 9, Energy

#### Introduction

After the first run through at the last meeting, I found quite a bit of opportunity for improvement. I have streamlined the chapter and reorganized it for clarity and elimination of internal and external redundancies. I will do my best to explain below. You may want to review the version from last meeting if you want to get into fine details.

#### Analysis

First, the vision statement was revised to be more succinct and ordered to follow the same as the items in the plan. I removed the reference to actions of the private sector, as we are not suggesting anything in the way of regulating them and really have no direct control of their actions. We do, however, wish to be an example and encourage some actions. The benefits of these actions are covered in the overview. The overview was rearranged to align with the order of the chapter.

The Chapter is reorganized to reflect first, the things we can do in our internal organization, goals 1 and 2, and second, how we wish to influence the regional actions of others, goal 3. This eliminates the overlapping and shared implementation items of the last draft. The implementation items are in numerical order, satisfying my OCD tendencies. Goals 2 and 3 of the last draft formed the basis of actions we will perform internally as a model for others. The previous goals 1, 4, and 6 were combined and refined to become the new goal 3 dealing with how we wish to influence policies of others and those outside of the city. Goal 5, dealing with

fuels for transportation is left to be incorporated with the transportation chapter which already deals with it.

### Goal 1

#### Objective A

You may notice that this list has one less item. The item dealing with actively supporting renewable energy projects was incorporated into goal 3.

### Goal 1

#### Objective B

This is a cut and paste, except for the previous strategy #3. This talked about using materials efficiently and reducing construction waste. I feel that this is addressed when considering the value of incorporating LEED or other similar values in #2. I believe everyone is addressing the benefit of reducing waste and it is more of a result of actual errors.

#### Objective C

Here is where I need help. After reading this twice (my head started spinning), I realized that it is something much more than just lifecycle costs. Full cost accounting, in this case, takes into consideration much more than the intrinsic costs of materials. I understand the value of and am intellectually intrigued in this concept, but am also aware of the many pitfalls of information and question the city's ability to gather and access such information. How much are we willing to sacrifice based on economic societal analysis? Are we willing to spend 10%, 20%, or more? Do we have the resources to weigh and assign empirical values to indirect costs? I truly believe this concept is worthy of everyone's consideration, but is it realistic? I am leaning toward recommending that this be eliminated, but did not want to make this decision without the Planning Commission concurrence. Additionally, the implementation items just parrot the implementation strategies and I really do not have any realistic suggestions for implementation.

### Goal 2

This was derived from the previous goal 2. I did remove the strategy of supporting recycling strategies for the transfer station, as they have since incorporated this into the new facility since the last plan. We do have an implementation item, 2-3 that will promote recycling throughout the community.

### Goal 3

#### Objective A

No policy changes here, pretty much a straight cut and paste from the previous goal 1.



## Objective B

Not much changed here from previous goal 4.

## Objective C

Again, not much changed from goal 6.

## Implementation table

Please pull out the table and review the proposed items to the numbered implementation strategies. Provide any suggestions for additional modifications. I felt pretty good about most until I got to Goal 1, Objective three, mentioned above. Next I had just a little problem aligning Goal 3, Objective A items. Please give these some thought and provide comments.

Please have an eye out for typos. I always seem to find another. I also plan to tighten up the formatting structure (spacing and such) later on. I hope to use this chapter as a type of template for the other chapters.

## **Staff Recommendation**

Come ready for some thoughtful discussion and recommendations.

## **Attachments**

1. Energy Chapter second draft

## **Chapter 2, Background Information**

### **Introduction**

The purpose of a background chapter is to provide an overview of the community, past trends, and future trends. These future trends and expectations should be reflected in the goals and objectives of the plan. For example if the population is aging, medical facility planning will probably be more important than picking a new elementary school site. Ideally, the issues brought up at the end in the summary will be addressed in subsequent chapters of the plan.

### **Changes from original plan**

Overall, this chapter has been shortened, mainly due to the lack of data available to update some of the tables. The Kenai Peninsula Borough used to annually publish a document called "Situations and Prospects," and it contained a wealth of data that was repeated in the Comprehensive Plan. Additionally, the Institute for Social and Economic Research (ISER), provided some analysis for the original plan which staff is unable to update and replicate. In particular, wage and salary employment data by sector is much more limited. Staff did

research multiple data sources to find relevant information to inform this chapter. More information about demographics has been included, as well as updated information about zoning permits and tax revenues.

### **Future Trends**

The Plan was originally written in a time of rapid development in our community. The short term growth patterns of fast growth appeared to be long term trends. (Remember the boom before the Great Recession?) This has not held true according to data provided by the state, and US census. Our population is in fact slowly growing, and we can expect continued slow growth, not the large population increases that were originally forecast. The original plan forecasts a population today of 5,676. The current state estimate is 5,153, and the 2014 American Community Survey only 5,229. While there is always a margin of error with statistics and demographics, you can imagine that a difference of 7-8% in just ten years would lead to huge discrepancies between the projected population, and how many people may actually live here in 20-30 years. Rather than expecting continued gains in the tax base and tax revenues, a much more realistic pattern may be slow steady growth. This will be a major factor for private business decisions, nonprofit activities, and government services for at least the next 5-10 years. This needs to be reflected throughout the plan.

### **Staff Recommendation**

Please read the chapter. Are there any major trends you think are missing? Big picture issues affecting our community?

### **Attachments**

Chapter 9, Energy  
Chapter 2, Background Information

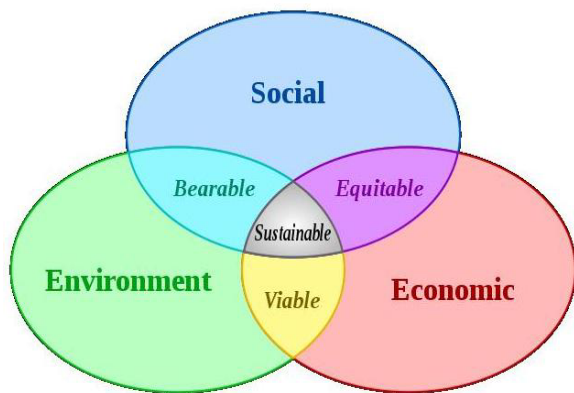
# CHAPTER 9 ENERGY PLAN

**Vision Statement: The City of Homer will be a model for energy conservation, wise use of environmental resources, and support renewable energy development.**

## Overview

The City of Homer continues to develop policies that further advance the goal of contributing to a more sustainable environment, seeking to be on the forefront of sustainable thought and action. This energy chapter builds on the Climate Action Plan, adopted in 2007. The goal of the Climate Action Plan is to reduce the threat of global climate change through government and community efforts. Additionally, the City has produced an employee sustainability handbook. The employee handbook sets operations policies for City staff and is a resource for other organizations pursuing energy conservation. Both documents suggest actions that citizens and government can take to reduce carbon emissions and conserve energy.

Access to an affordable, secure supply of energy is necessary for almost every activity of government, business and private life. Energy policies can play a crucial role in the development of a



local and regional energy system that can help ensure the long-term economic viability and livability of Homer. Currently, national energy policies are beginning to reflect the need to reduce greenhouse gas emissions and establish a fair degree of independence from uncertain international energy markets. Locally, policies can facilitate responsible contributions from our community to the global human and natural environment. Progressive energy policies should strive for an energy system that is sustainable, locally and globally. On the local level, some direct

Figure 13 The three pillars of sustainability  
Author: Johann Dréo

benefits of these policies can include job creation and retention of money in the community, as the need to buy energy from sellers outside the region is reduced. In

addition, addressing energy use in the transportation sector can improve quality of life by reducing traffic congestion and associated impacts.

The City of Homer has a role in the broader discussion of energy resources and conservation. One major role is to ensure municipal buildings and projects are energy efficient and as sustainable as possible, in a cost efficient manner. A second role includes working with public and private parties to support the use of local renewable resources for power generation. Taking advantage of local renewable energy production is likely to lead to the creation of new jobs. The City can accomplish these and other desired goals by creating and implementing a long-range energy plan.

Several sections of the 2008 Homer Comprehensive Plan discuss energy related policies. The following chapters and goals also relate to this chapter and can be considered as part of the City's energy policies:

*Chapter 4 Land Use, Goal 1 Objective E, and Goal 3 Objective B*

- **Consider the regional and global impacts of development in Homer.**

Specific implementation items are listed in chapter 4.

- **Encourage high quality site design and buildings.**

Implementation actions in this chapter include items such as developing policies for LEED, Sustainable Sites and Low Impact Development. *See Chapter 4.*

*Chapter 5 Transportation, Goals 3 and 4*

- **Homer's transportation system and services should be developed in a manner that supports community land use, design, environmental and social goals. The trail and sidewalk network should provide an alternative to driving, provide enhanced recreational opportunities, and create auto-free connectivity throughout the community.** *See Chapter 5.*

*Chapter 6 Public Service and Facilities, Goal 1*

- **Provide and improve city-operated facilities and services to meet the current needs of the community, anticipate growth, conserve energy, and keep pace with future demands.** *See Chapter 6.*

*Chapter 8 Economic Vitality, Goal 7*

- **Support regional renewable and non-renewable energy exploration and production.**

Implementation items include encouraging renewable energy development locally and regionally and supporting efforts to supply local energy needs with natural gas. *See Chapter 8.*

## Summary of Goals

**GOAL 1:** The City of Homer will be a community leader in implementing policies that promote energy efficiencies.

**GOAL 2:** The City of Homer will be a responsible steward of scarce resources.

**GOAL 3:** The City of Homer will play an active role in influencing regional policies that promote the research, development, and use of sustainable energy alternatives.

## Goals and Objectives for Energy Planning

**GOAL 1:** The City of Homer will be a community leader in implementing policies that promote energy efficiencies.

**Objective A:** City of Homer operations will save taxpayer money and set an example by adopting cost effective energy saving technologies and operating procedures.

#### Implementation Strategies

1. Continue to implement the Climate Action Plan and the employee sustainability guidebook for City facilities and operations.
2. Continue to utilize the Energy Fund, a revolving fund to invest in cost effective energy-saving public projects.
3. Continue to monitor and report energy use.
4. Continue to analyze the workings of the Homer water and wastewater facilities and incorporate energy saving methods and technologies where appropriate.
5. Practice and encourage energy efficiency and conservation to reduce the amount of money leaving the community to pay for fuels.
6. Actively evaluate projects for the incorporation of renewable energy opportunities.
7. Promote water conservation measures.

**Objective B:** Encourage energy efficiency in building construction and for the life of the building.

Buildings use a lot of energy over their lifecycle, and construction is a very energy and material intense activity. Building and construction design can minimize construction waste and maximize energy efficiency. *See also Chapter 4 as referenced above.*

#### Implementation Strategies

1. Encourage consideration of lifecycle costs, the use of energy efficient construction techniques, materials, waste reduction, and equipment, including renewable energy opportunities, that are consistent with acceptable health and safety standards and that are appropriate for local climatic conditions, while finding a balance with project costs.
2. Consider the value of incorporating LEED (Leadership in Energy and Environmental Design) or similar principles and standards when designing public structures and facilities. The LEED or other standards should be adapted for local climate and materials resources and should include lifecycle cost analyses (including long-term operational costs) with appropriate fuel cost sensitivity analyses over the long-term life of the project. The ratio between maximum energy efficiency and construction cost should be the primary consideration.

**Objective C:** Include the full costs, direct and indirect, of energy use when performing economic analyses.

The real environmental and social costs of fossil fuels are not reflected in consumer prices. Consumers pay the cost of energy production and transportation, but not directly for air pollution, health problems, or other environmental or social effects of burning fossil fuels. “True or full cost accounting” is a term used to describe how a dollar value can be attributed to these indirect costs.

Wise energy production and use requires these external costs to be internalized in energy prices. Paying the true cost will increase energy prices, but also will encourage energy conservation and energy production from renewable sources. Presumably when the full cost of fossil fuels are reflected in consumer prices, renewable energy will be cost competitive.

### Implementation Strategies

1. Include the full costs, direct and indirect, of energy use when performing economic analyses.
2. Use quantifiable external and indirect costs in establishing the cost of energy when conducting lifecycle cost analyses of City facilities, projects, and operations.

### **GOAL 2:** The City of Homer will be a responsible steward of scarce resources.

Minimizing solid waste is in the long-term interest of the community. The former local landfill is now Homer Transfer Facility, and solid waste is trucked to the Central Peninsula Landfill south of Soldotna. Reducing garbage in the land fill will stretch the life of existing facilities and postpone the expensive process of constructing new disposal sites. The three R's - Reduce, Reuse and Recycle - are the pillars of solid waste reduction. There reuse of materials and using less material (reducing) are especially important. Effective solid waste reduction requires coordination between the public, private, and non-profit sectors. The City should work with the Kenai Peninsula Borough and private entities to take advantage of recycling and waste reduction opportunities.

### Implementation Strategies

1. Develop a solid waste and recycling plan for municipal facilities and operations.
2. Develop procurement policies to reduce resource and energy consumption “upstream.” *See Sustainability Guidebook.*
3. Support efforts to increase community recycling and waste reduction.

### **GOAL 3:** The City of Homer will play an active role in influencing regional policies that promote the research, development, and use of sustainable energy alternatives.

**Objective A:** Express support for energy planning with emphasis on long term sustainability and affordability.

### Energy Planning

The energy industry is changing rapidly as renewable energy sources are found and new technologies emerge. Federal and State funding sources may become available for renewable energy projects and/or energy efficiency planning and implementation. Homer should examine these funding opportunities and emerging technologies for potential use in the community. Recent examples include investigating tidal energy opportunities in Kachemak Bay and capturing energy in the gradients of Homer’s water system.

A sound energy policy has several basic principles. There must be an understanding of the energy source, the financial and environmental implications of utilizing that source, and where and how the energy is used. Homer should analyze the energy systems supplying the community, potential

renewable energy resources, and emerging technologies. The end goal is long term, affordable, sustainable energy supplies.

### Implementation Strategies

1. Work with the State of Alaska, Kenai Peninsula Borough, Homer Electric Association, Kachemak Bay communities, and other entities in planning for energy resource development and use on the Southern Kenai Peninsula.
2. Consider the City of Homer's role in development and implementation of a long-range energy plan for Homer. The plan should consider renewable energy sources, emerging technologies, other plans being developed within the region and the state, and national energy policies that may impact the local market.
3. Potential renewable energy resources close to Homer should be protected. This includes projects that are permitted through the Federal Energy Regulatory Commission, including dams and tidal generation facilities.

### **Objective B: Support renewable-energy research and development.**

Homer's proximity to hydroelectric generation and potential ocean energy resources presents an opportunity to guide future energy consumption toward renewable energy sources and away from the negative economic and environmental impacts associated with fossil fuel consumption. Least-cost planning, where energy conservation investment is weighed against energy purchase investment, with life-cycle costs factored in, can provide a framework for cost-effective, responsible energy planning and conservation.

### Implementation Strategies

1. Support research efforts to identify potential renewable energy sources and technologies.
2. Encourage the development of tidal, geothermal, wind, solar and other on-site renewable energy sources
3. Encourage the transmission of excess on-site renewable energy for extension to adjacent energy users or for transmission to the electrical grid.

### **Objective C: Encourage industrial and commercial users to be energy efficient.**

Industries with large amounts of fuel or energy by-products (e.g. wood waste or steam), may be able to generate electricity to add to the utility grid. The design and operation of industrial developments can be managed to reduce or transfer this otherwise wasted energy and also to maximize use of renewable energy. This can increase overall community energy efficiency.

### Implementation Strategies

1. Encourage cost effective development of co-generated electrical energy.
2. Encourage energy efficiency and the use of renewable resources in commercial and industrial developments.





## Energy Planning Implementation Table

As used below, “near-term” means one to five years; “mid-term” means five to ten years; and “long-term” means ten years or longer.

Project	Timeframe				Primary Duty
	Near Term	Mid Term	Longer Term	Ongoing	
1-A-1 Implement the Climate Action Plan and strategies to grow and maintain the Sustainability Fund	x			x	City
1-A-2 Continue to maintain and utilize Revolving Energy Fund	x			x	City
1-A-3 Continue to monitor, evaluate, report energy use in city facilities.	x			x	Public Works
1-A-4 Perform performance audit of of water and wastewater facilities		x			Public Works
1-A-5 Continue to review energy audit items for implementation.	x			x	City
1-A-6 Evaluate renewable energy opportunity for all major capital projects.	x			x	City
1-A-7 Monitor water use trends in city facilities that might indicate overuse or leaks.	x			x	City
1-B-1 Require the calculation of full life cycle costs in economic and energy analysis of city projects.	x			x	City
1-B-2 Analyze LEED or similar principles in design of public structures of facilities at bid.				x	
1-C-1 Consider direct and indirect costs when performing economic analysis of city projects.				x	
1-C-2 Quantify external and indirect costs for energy when conducting lifecycle costs.				x	
2-1 Assign city staff to create a solid waste and recycling plan for City operations.	x				City
2-2 Continue to support environmentally friendly procurement policies through the Sustainability Guidebook.	x			x	City
2-3 Encourage and advertise recycling activities through newsletters and billings.	x			x	City

3-A Form relationship with regional stakeholders in energy policies.		x			City
3-A Assign staff to work with regional entities regarding energy resource development.	x			x	City
3-A Report to City Council with information regarding local and regional long range energy plans.				x	City
3-B-1 Draft resolutions of support that encourage renewable, by-product, and co-generated energy projects.	x				City
3-B-2 Investigate in-kind or funding partnerships to encourage renewable energy projects				x	City
3-B-3 Consider periodic review of code for accomodation of existing and emerging renewable energy technology.		x		x	City
3-C-1,2 Review code for accomodation of renewables - goto Chapter 4, LEED.				x	City

## CHAPTER 2 BACKGROUND INFORMATION

### Introduction

This chapter gives an overview of Homer's history, current conditions and trends, and sets the stage for the policies presented in the remainder of the plan.

### History

The area surrounding Homer has been home to Alaska Natives for over 8,000 years. The Pratt Museum and the Homer library are excellent sources of information about the rich Alaska Native history of Kachemak Bay. While archaeological evidence indicates that major Native settlements were located across Kachemak Bay from Homer, there is also evidence of early Native campsites on the Homer Spit. Today persons with Alaska Native and American Indian heritage make up approximately 6.9% percent of Homer's total population. (American Community Survey (ACS) 2014)



Homer's non-Native history began in 1895, when the US Geological Survey came to the area to study coal and gold resources. The following year, Homer Pennock, the man of character after whom the town is named, arrived with a crew of 50 gold miners and developed a small settlement on the Spit. While gold mining never became a profitable endeavor, coal mining did and was the predominant economic activity from the late 1800s through World War I. In the early 1900s, fishing developed into an important industry. The majority of canneries and fishing-related activity was centered across the bay in Seldovia. However, when the 1964 Good Friday earthquake struck, Seldovia's waterfront was devastated. The Homer Spit also subsided several feet due to the earthquake but it was able to assume Seldovia's fishing support activities. Like the Good Friday earthquake, the 1989 Exxon Valdez oil spill in Prince William Sound marked another very significant event for Homer. While Homer is somewhat distant from the point of grounding, outside Valdez, the reach of the spill was vast; Homer's shoreline was included in the 1,300 miles of coast impacted by the Exxon Valdez disaster.

### Natural Environment

Homer is a breathtakingly beautiful community. Surrounded by snowcapped mountains and glaciers, this community is a gateway to mountain and maritime adventures. Homer is also well-known for its gravel spit, a significant geographic feature which extends 4.5 miles into Kachemak Bay. This strong relationship to the natural environment, combined with Homer's stunning natural setting and its vibrant arts and cultural scene, has made it a popular destination for tourists.

Homer's year-round ice-free port and protected harbor provide easy access to Kachemak Bay. The Bay is traveled by Homer residents, residents of nearby communities, and visitors for recreation, wildlife viewing, fishing, and transportation. Life in Homer relates to the ocean in many ways – the climate, economy, environment, infrastructure, and way of life are all shaped by Homer's proximity to the water.



The ocean also influences Homer's climate and environment. Homer has a maritime climate and is fairly temperate by Alaska standards. Average daily temperatures range from 45 to 65 degrees Fahrenheit in the summer and 14 to 27 in the winter. Yearly snowfall during the winter averages 55 inches; total annual precipitation is 24 inches.

The topography of the region adds to its beauty. The City of Homer is situated in a geographical area referred to as the Homer Bench. The Homer Bench is characterized by high bluffs to the north and gently sloping shorelines in the south. Homer is bounded by Kachemak Bay to the south, and Diamond Ridge to the north, which rises from about 400 to 1,100 feet above sea level. The area is composed of layered sand, silt, clay, conglomerate, coal seams and volcanic ash. Common rock types include shale, sandstone, coal and claystone. The steep slopes and the loose nature of the soil and bedrock make the area susceptible to landslides when saturated with water. Homer experiences both bluff and shoreline erosion problems. Across the bay in Kachemak Bay State Park, the dramatic, heavily glaciated mountains of the Kenai Range provide stunning scenic views for the city.

## Social Environment

Homer faces several significant trends that will affect the community for at least the next 10 years. Growth in the number of residents who are over 65, and also between the ages of 20 and 34 shape the work force, job opportunities, and tax base. Significant changes in the State of Alaska budget due to the rapid decline in oil revenues is having a negative impact on school budgets, road maintenance, road constriction and capital projects of any kind.

These trends pose important issues for the borough and its communities. Notably, an aging population creates needs for specific types of public facilities and services, tax revenue collection, and special housing. Lower school enrollment numbers often mean that State support becomes more limited and school budgets are stretched. An aging population is often indicative of the lack of local economic opportunity sufficient to attract and hold families. A more vibrant economy would attract and retain workers and families, and a more diverse tax base. Decreasing incomes may increase demands on social services while simultaneously lowering support for and ability to pay taxes or fees for services.

## Economy

Education, health care, commercial fishing, and tourism form the backbone of Homer's economy. Large employers include the Kenai Peninsula Borough School District, University of Alaska Kachemak Bay Campus, and South Peninsula Hospital. Additionally, there are numerous other health and wellness providers, tourism and commercial fishing enterprises and related services such as hotels, restaurants and retail shops. Educational services, health care and social assistance are responsible for more than 26% of jobs in Homer (ACS 2014). Additionally, arts, entertainment, recreation, accommodation and food services provide another 13% of local jobs.

## **Increasing Visitors**

Homer continues to be a popular tourist destination. *Alaska Economic Trends* reports that “Homer’s visitor industry is thriving and contributes to the support of local cottage industries including bed and breakfasts and arts and crafts.”<sup>71</sup> This statement from 2004 still rings true in 2016. It is likely that Homer will continue to draw in visitors as the gateway to Kachemak Bay State Park, “halibut capital of the world,” and for the general access to natural habitat and wildlife areas it provides. Homer also attracts visitors who enjoy the many cultural events and festivals hosted by the community, as well as specialty stores, most notably the local art galleries. Recent trends in tourism include changes to the size of halibut a charter customer may keep, as well as the reduction in the number of days that are open to fishing. To sustain the existing visitor industry, Homer will need to market its diverse offerings to tourists, showing that there are many other activities beyond halibut fishing as a way to enjoy the community.

## **Housing Characteristics**

Residential use remains the predominant function of developed land in Homer. 68 percent of Homer residents live in single family detached homes. Long term, there is little incentive for building more densely, maximizing the public investment made in water and sewers, and generating revenue (through service fees) sufficient to pay for the ongoing costs of a very spread out utility system.

The number of new residential permits has been steady since housing market stabilized after the recession. Although interest rates are slowly beginning to rise, the City expects an average of 30-40 new homes to be constructed per year for the foreseeable future. There has been an increase in redevelopment; tearing down old cabins and mobile homes, and replacing them with new energy efficient residences.

Housing prices and rent costs have implications for who can live and thrive in Homer. Recent market trends have tended towards a leveling of home prices. However, prices remain high relative to income. In 2014, over 26% of mortgaged households spent 35% or more of their income on housing costs. Of households that rent, over 40% spend more than 35% of gross household income on housing. The median sale price was \$235,000 in 2015.

## **Homer Population Trends and Demographics**

Homer’s population growth tends to fluctuate, but in recent decades reflects slow to moderate growth once the effects of annexation in 2002 are discounted. Homer’s seasonal population fluctuations complicate the effort to define the community’s demographic character. In the summertime, the population of Homer swells dramatically with tourists, seasonal workers employed in commercial fishing and tourist support industries, and part-time summer residents and second-homeowners. General population growth trends, numbers, and graphs do not capture the complexity and variation of Homer’s population.

Table 2. Homer Population Statistics 1960-2000

Year	Population	Average Annual Growth
1960	1247	
1970	1083	-1.40%
1980	2209	7.39%
1990	3660	5.18%
2000	3946	0.76%
2010	5003	2.40%
2015	5153	0.30%

Source: Alaska Department of Labor and Workforce Development, 2016

\* Homer's growth rate declined due to the 1964 incorporation of the city.

\*\* Annexation was complete in 2002, enlarging Homer and the City's population

### Shifting Age of the Population

Homer has seen an increase in its population of persons aged 65-and-older from 7 percent in 1990 to 13 percent of the total population in 2014. Table 3 illustrates this fact. This may be explained by two main factors: the aging of Homers' existing population and the in-migration of retirees. There established residents who are committed to living out their lives in Homer. Alaskans and those from other states moving to Homer to retire are part of a larger trend prevalent throughout the borough.

Similarly across the Kenia Peninsula Borough, the retirement age group has grown significantly, while other age groups have not. In 1990, 4.9 percent of the population was aged 65 years and older. In 2000 this had increased to 7.3 percent and by 2010 had risen to 11.3 percent. By 2032, this is projected to increase to nearly 24%. This phenomenon is referred to locally as the 'Silver Tsunami', representing the scale of demographic transformation that is occurring.

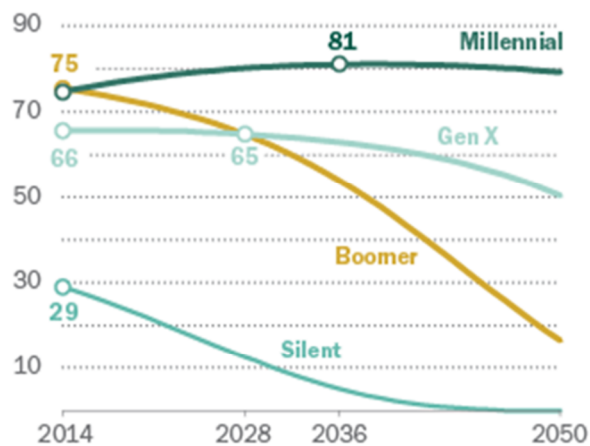
Table 3. Age Statistics for City of Homer, 2000-2014

	2000 Population		2014 Population	
	Number	Percent of Total	Number	Percent of Total
Total Population	3,946		5,229	
9 and Under	551	14%	708	14%
10 to 19	646	16%	675	13%
20 to 34	478	12%	973	19%
35 to 44	659	17%	538	10%
45 to 54	748	19%	686	13%
55 to 64	366	9%	965	18%
65 and Over	398	10%	684	13%

Source: US Census Bureau and 2014 American Community Survey. Note: US Census Bureau's 2000 population is slightly different from State of Alaska numbers. The census captures the April 1 population while the State estimates the July 1 population.

## Projected Population by Generation

In millions



Note: Millennials refers to the population ages 18 to 34 as of 2015.

Source: Pew Research Center tabulations of U.S. Census Bureau population projections released December 2014

PEW RESEARCH CENTER

Another interesting trend shown in Table 3 is the shrinking portion of the population between the ages of 35-55, and the increase of 20-34 year olds. The younger group is commonly a demographic that is under represented in Homer as young adults move away for schooling or jobs and don't return. Perhaps this trend is shifting, although the Great Recession and lack of job opportunities in the lower 48 may have influenced more young residents to stay or return to Homer. This age group is known as the Millennials; see table X. They are as significant a cohort as the Baby Boom

Table X	Birth years
Millenials	1982-2004
Generation X	1965-1981
Baby Boomers	1946-1964

generation in terms of sheer number of people in that age group. It is reasonable to expect a continued increase in younger people, and relatively fewer residents in the age group between the Millennials and the Baby Boomers, broadly considered Generation X. In the near term, as Homer's population ages, there are relatively fewer Generation X residents to assume skilled jobs, start new businesses, and volunteer their

time and expertise in the community. Time will tell if Homer can harness the people power of the Millennials to assume the rolls left unfilled by aging Baby Boomers.

## Fiscal Challenges

Alaska remains particularly vulnerable to economic shocks, such as the current dip in oil prices. The State economy has somewhat matured and diversified, with growth in tourism, air cargo and mining, but oil revenue is critical to fund state government and provides numerous high paying jobs. Homer needs to plan for growth, and there are good reasons to expect this growth will continue. At the same time, the community needs to be aware that growth rates could quickly slow or reverse.

Figure 7 shows the median household, family and non-family (individual) income for Homer for 2000, 2010 and 2014. Homer has seen a decline in median income when levels are adjusted to 2015 dollars. This affects resident's ability to pay increased taxes and fees for services. At the same time, Table 6 shows the slow increase in city tax revenues. As the State cuts support to local governments, cities will need to find a way to either increase revenues to pay for services, or reduce services.

Figure 7. Median Income in Homer

	2000	2010	2014
Median household Income	59,639	57,205	55,443
Median Family Income	74,611	75,225	75,717
Median non-family income	36,744	31,311	30,132

Source: US Census Bureau, ACS and Consumer Price Index (used to adjust to year 2015 level).

Tax revenues continue on an upward trend. Table 6 shows the City tax revenues from property and sales taxes from 2012 through 2015. Property tax revenues have increased an average of 1.3 percent each year between 2012 and 2015. This increase reflects the slow growth of new construction and the recovery of the housing industry. Sales tax revenue has also increased. While expecting continued incremental increases in the tax base and municipal tax revenues, reduction in state spending may increase the City's costs. New expenditures by the City will need to be weighed with the likelihood that revenues will increase enough to cover the expenses.

Table 6. City of Homer Tax Revenues, 2012 through 2015

	Property Tax	% Change	Sales Tax	% Change
2012	\$3,009,577		\$4,752,288	
2013	\$3,220,859	7.0%	\$4,944,776	4.1%
2014	\$3,085,931	-4.2%	\$5,024,526	1.6%
2015	\$3,118,636	1.1%	\$5,126,605	2.0%

Source: COH budget 2014, 2015

## Long term growth Forecast

The boom and bust of Alaskan economic life requires City governments to be both optimistic and realistic, and to be able to respond to change. In previous plans, population forecasts were greatly overestimated. Actual population growth has been leisurely over time. With the potential for a slow growing population forecasted in Table 9, the region can expect continued slow economic expansion. While there is the potential for mega projects such as the Natural Gas pipeline that would terminate in Nikiski, it is reasonable for the community to expect modest and steady change. This outlook applies to new jobs, new residents, growth of the tax base and increases in government revenues to pay for services.



Table 9. Growth scenarios

**AK Dept Labor and Workforce Development Population  
Projections 2012-2042**

Population	2012	2017	2022	2027	2032	2037	2042	
Alaska	732,298	770,417	806,479	839,191	868,902	897,034	925,042	
KPB	56,756	59,225	61,391	63,116	64,321	65,098	65,647	
	<b>City of Homer Population Projections</b>							
Using KPB growth rates	5153	5,376	5,572	5,727	5,837	5,907	5,957	* low projection
1% annual growth rate	5153	5,416	5,692	5,982	6,288	6,608	6,945	* mid projection
Southern Kenai Pen @ KPB growth rates	10783	11,232	11,643	11,966	12,195	12,343	12,448	* low projection
1% annual growth rate	10783	11,333	11,911	12,519	13,157	13,828	14,534	* mid projection

## Growth Trends

Homer’s future growth will be driven by a combination of what happens to the Alaska economy and also specific factors that are more or less independent of what is happening in the Alaska economy. These include things like the prices for the mix of fish species that Homer fishers tend to catch, the growth of specific visitor attractions similar to the Islands and Ocean Center, and the location decisions of businesses. Perhaps most important of all, and most difficult to forecast, is the growth of Homer as a quality-of-life community that is attracting wealthy people who want to live here. This growth will depend partly on the actions that citizens take to maintain the current attractive qualities, and it will probably also depend on more mysterious attributes that economists call “reputation effects.” If Homer remains a “hot” residential destination, then it can grow, at least in some dimensions, more or less independently of changes in the conventional “economic base.”

## Summary

Taken together, the set of facts presented in this chapter support the conclusions listed below.

- The natural environment is important to Homer’s economy and way of life. The community clearly desires to maintain the natural environment. New strategies will be needed to protect this environment as the community grows – particularly regarding drainage, erosion, and open space.
- Homer has a diverse, vibrant economy that builds on the community’s strengths and character. The community will need to work to enhance and preserve economic opportunity.

- Tourism has grown significantly in Homer, contributing to growth in the overall service sector. Tourism marketing will need to diversify as charter fishing may become a less significant attraction over time.
- Homer needs room to grow, in a way that respects the community's character, addressing concerns about sprawl and climate change. The plan should designate locations and patterns for new growth, considering related needs like expanded water and sewer service.
- Homer's demographics are changing. Many out-of-town and out-of-state retirees are coming to Homer, affecting land prices and expectations about public services and facilities.
- Housing prices have been driven up by new demands and an influx of more wealthy residents. Maintaining a stock of quality housing for middle- and low-income households will be important for Homer's future, particularly for housing younger families within the City.
- The coming of age of Millennials will shape Homer's future as a place for young families with children.
- Existing housing stock is aging, and may not be attractive to retirees due to size and updates needed, which in addition to price also deter young families.
- Need to expand tax base and service fees to compensate with increases in operational costs for city programs and facilities.
- Trends of the last 30 years are likely to continue, and Homer will face new challenges and opportunities tied to growth.



## City of Homer

[www.cityofhomer-ak.gov](http://www.cityofhomer-ak.gov)

Office of the City Manager

491 East Pioneer Avenue  
Homer, Alaska 99603

[citymanager@cityofhomer-ak.gov](mailto:citymanager@cityofhomer-ak.gov)

(p) 907-235-8121 x2222

(f) 907-235-3148

## City Manager's Report

TO: Honorable Mayor Wythe and Homer City Council  
FROM: Katie Koester, City Manager  
DATE: February 22, 2016  
SUBJECT: City Manager's Report

---

### **New Customer at DWD in March**

Furie Alaska has been working out the details with the Port and Harbor Staff for bringing a MODU (mobile offshore drilling unit) to the Deep Water Dock beginning early in March. The Rig Randolph Yost will be transported by heavy lift ship from Singapore to Kachemak Bay, offloaded and then come into the dock for 30 to 45 days of dockage. While at Port crews will work to ready the Randolph Yost for work in upper Cook Inlet for the 2016 drilling season. Soon the Randolph Yost will be drilling new gas wells for Cook Inlet's newest production platform in Trading Bay, installed just last year. Furie Alaska is contracted with HEA to provide natural gas to the new gas turban electric plant in Nikisiki.

### **February Trip to Juneau**

Mayor Wythe and I had a fast paced and productive trip to Juneau February 2. After a debrief with Anderson Group, we met with Deputy Commissioners Neussl and Hatter of AKDOT&PF. DOT wanted to visit with us about the marine highway and its importance to Homer. I brought up drainage issues that the St. Augustine subdivision is having as the result of a how DOT channels the drainage from the Sterling Highway. We spoke with DOT about ongoing projects in the area: Lake, Pioneer and the status of the stop light at Sterling Highway and Main Street. Latest update on that project according to DOT "We are currently approaching the 65% design phase and preparing to submit the Plans, Specifications, and Estimate for Plans In Hand (PIH) review. We are looking at a few options to reduce Right Of Way needs. This may eliminate the dedicated right turn lanes on the Main Street legs of the intersection. With a HSIP ( Highway Safety Improvement Project) the main objective is to meet standards that are safety related. The downhill grade on Main Street is steep and a landing that meets current design standards could help prevent people from sliding into the intersection. Meeting grade/landing standards with the turn lanes was having significant impacts to the NAPA property." See attached flyer for more info.

The evening of the 2nd, Linda hosted an informal dinner in her home where we got to spend time visiting with our delegation and their staff. We were down there during week three of the session, and they already had the telltale end of session war-worn look. The legislature has hit the ground running this year and has their work cut out for them.

Wednesday was an early meeting with the Commissioner of Corrections and both his Deputies on the Community Jail program. Commissioner Dean Williams, newly appointed, is very concerned with the health of the Community Jails. He made some interesting points about title 47 prisoners and whose responsibility they are. Title 47 prisoners are people taken into protective custody because the Police Department judges them to be in danger of harming themselves or others and they haven't committed any crimes. This can be due to acute intoxication by alcohol or other substances or by mental illness. Commissioner Williams argued that the local hospital bears the responsibility for these patients. State statute says that they have to go to a local treatments center. In Homer we do not have a local treatment center nor does our hospital have the capacity to handle the patient. This leaves the jail often in the case of babysitting prisoners when they detox or have suicide risk. As you can imagine, this is a source of exposure to the City. Nevertheless, as the Mayor pointed out, these individuals need somewhere to go and it is a community problem that requires a community solution. Though the administration gave no indication they were proposing new cuts to community jails, they are looking at cost saving measures, like how Title 47 prisoners are taken care of, and are paying close attention to the program.

Commerce Commissioner Chris Hladick gave his time to talk about the business potential of the Homer Port and Harbor and how it could fit into the economic development picture in the State. The 4 page "Business Begins where Land Ends" informational booklets were a great launchpad for talking about the present and potential for Homer. As a former City Manager, Commissioner Ladick gave me some great tips on management. One of them was to include a section at the end of every meeting titled 'directives from Council.' We do this informally in the City Manager's report, but it may be worth putting an extra item on the agenda to give you the opportunity to reflect on the report, meeting, and any City business you need follow up on.

Throughout Thursday we met with Senator Gary Stevens, Representative Paul Seaton, Speaker Mike Chenault and Senator Peter Micchice. All legislators have the budget issues front and center. Sen. Stevens mentioned that the State may issue GO bonds for capital projects, a rumor backed up by the governor's office. This is one of the reasons why it is important to provide legislators with our priorities even in the lean years and put effort into advancing our projects – you never know what may pop up and we need to be prepared. In addition to touching on capital projects, we spoke with legislators about Homer's concerns with Senior property tax exemptions (Resolution 15-111), PERS issues including the threat to increase the required contribution from municipalities, and Homer's support of action by the legislature to solve the budget crisis, Resolution 16-017. This latest action was well received and we were approached by a number of legislators thanking the City of speaking up. There

seemed to be a commitment to tackle the budget issues the state is facing with each of the legislators we met with, which is encouraging.

We also met with Deputy Chief of Staff to Governor Walker John Hozey. We spent almost an hour with him, focusing on general budget issues and revenue concerns for municipalities, the concerns with addressing PERS issues including termination studies (where municipalities have to pay a fine in perpetuity if they get rid of a class of employees) and PERS contribution rates. The later issue is going to be a big fight on the hill – every % increase in PERS contribution rate equates to an additional \$59,000 for the City of Homer.

We were able to touch base with Commissioner of Revenue Hoffbeck and OMB Director Pitney briefly and share information on Resolution 16-017. In addition to making some important connections during the trip, we were able to get insight on what the administration is thinking and bring the Homer perspective to Legislators in Juneau.

### **Hickerson Cemetery Neighborhood Meeting**

Public Works Director Meyer and I had an almost 2 hour neighborhood meeting with 8 residents who live around Hickerson Cemetery and a couple other citizens concerned about the impact of development of the cemetery, including Cook Inlet Keeper. Many thanks to Councilmembers Aderhold and Reynolds who also attended. The residents were frustrated and felt like they had not been given proper notice of the project, though staff did point out all aspects of the project: purchase of the land and funding for design, have gone through the public notice requirements of the City. Their recommendation was for the City to send out public notice directly to area residents like the City would for a project within City limits. The City did send 210 individual notices to everyone in the surrounding area for the neighborhood meeting. The group had many items that they would like to see considered in the project including:

- No chain link fence should be installed around the cemetery a higher quality and more attractive fence should be used.
- Use trees and berms as visual buffers.
- Leave existing trees on the property/add more.
- Develop regulations that require burial vaults to eliminate potential for groundwater contamination.
- Make new expanded area more beautiful. Existing cemetery not maintained and an eye sore.
- Monitor groundwater for evidence of contamination.
- Planning Commission should hold public hearings.
- Enforce requirement that all headstones be flat to the ground to make them less visible.
- Down size the expansion.

- Take into account reduced property values of surrounding neighborhood due to expansion.
- Move existing shelter to allow for more burial plots in existing cemetery, no need for expansion right now.

There are no State, Federal or Borough regulations guiding Cemetery development. Many of these items would increase the cost of the project. If the City wants to mitigate the subsidization of the Cemetery, increasing the cost of plots is the only way to recoup these costs (currently \$1,000 a plot). One way to move forward with the project would be to refer details of the expansion to the Planning Commission with specific parameters and guidelines from Council.

### **Draft WSRN Letter of Support**

In July of 2015 Council passed a resolution to include Beluga Slough in the Western Hemisphere Shorebird Reserve Network. In the nomination letter the City must agree to the following three conditions:

- To make shorebird conservation a priority at the site;
- To protect and manage the site for shorebirds; and
- To update the Network at least annually in the event of changes in the site's status (boundaries, degree of protection) or in the contact information of the person responsible.

On the eastern parcel of almost 40 acres, there is a BLM conservation easement, and agreeing to these three conditions is not an issue. The parcel below the Public Works complex, 21 acres, is not under a conservation easement, however, its tidal wetland, and zoned Open Space Recreation (see attached map). Because these conditions were not spelled out in the Resolution, I wanted to let Council know before we forward the attached nomination letter to WRSN and confirm that the conditions are consistent with Council's intent.

### **Moving Beluga Slough**

Property owners who live near the outlet of Beluga Slough have organized and petitioned the Corps for a permit to move Beluga Slough. The Slough has been relocated back to the west to eliminate erosion of lots in the Ocean Drive Loop neighborhood many times over the years. Permits to accomplish this work again are currently being reviewed by state and federal agencies.

Decades ago, no permits were secured, but in the last 12 years or so, a Corps permit has been obtained. The City has prepared and submitted permit applications in the past, but the last few permits have been submitted by the affected property owners (with oversight by Public Works). US Fish and Wildlife has given the land owners authority to access the site within certain guidelines. The cost of relocating the outlet has been paid for by the property owners.

Permit agencies are requiring that the City monitor work on the beach as part of their proposed permit conditions. Public Works has played this role in the past and will continue to support this work as directed by the City Council. Work won't begin until winter to minimize

impacts to wildlife. The City will work with the land owners to provide notice on the radio and website so the public is aware of when and why heavy equipment is working on the beach.

### **Strategic Planning at HVFD**

The Homer Volunteer Fire Department is looking at putting together a work group to assist the fire department in a strategic planning effort. Ideally, the group would be made up of , 1 staff member, 1 or 2 volunteers (EMS/Fire or cross trained), a councilmember the Mayor from Homer and Kachemak City, and a member of the public. The goal of the group will be to establish the long-term vision of fire department by establishing strategic goals and objectives. If anyone is interested in participating in this process, please let me know.

### **Comprehensive Plan Update**

Planning has been gearing up for an update of the Comprehensive Plan. Through the strategic doing process Council and staff has been working on, it has become clear that the City has checked off many items of the Comprehensive Plan implementation table and that others may need to be updated or reconsidered given the changing environment. The Commissions are currently reviewing the Plan and plan on brining recommendations to Council this summer. See the attached memo from Planning for more information.

### **Out of Office**

Both City Clerk Johnson and I will be out of the office February 25 through March 4. During that time, Chief Mark Robl will be Acting City Manager. I will have multiple communication devices with me and can be reached via email or phone.

ENC:

Main Street and Sterling Highway fact sheet  
Draft WSRN Letter  
Resolution 15-054  
Map of City and USFW land in Downtown Homer  
Email on Hickerson Cemetery  
Memo on Comprehensive Plan Updates  
Legal Opinion on Natural Gas HSAD exemption for CIRI  
Population Determination from DCCED  
Bay Welding letter of support