

## REGULAR MEETING

**1. CALL TO ORDER**

**2. APPROVAL OF THE AGENDA**

**3. PUBLIC COMMENTS REGARDING ITEMS ON THE AGENDA**

*The Audience may comment on matters on the agenda not scheduled for public hearing 3 minute time limit*

**4. RECONSIDERATION**

**5. SYNOPSIS APPROVAL**

**6. VISITORS (10 minute presentation, 5 min Q&A)**

A. Asia Freeman, Bunnell Street Arts Center

**7. STAFF REPORTS & Committee Reports (5 minutes)**

A. Julie Engebretsen, Deputy City Planner

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**8. PUBLIC HEARING**

**9. PENDING BUSINESS (15 minutes total)**

A. Operating and maintenance expenses

**10. NEW BUSINESS (1 hour total)**

A. Follow up from City Council Work Session

B. Follow up on community conversations

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C. Five year plan

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D. Next Steps

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**11. INFORMATIONAL ITEMS**

**12. COMMENTS OF THE AUDIENCE**

*The Audience may comment on any item. 3 minute time limit*

**13. COMMENTS OF CITY STAFF**

**14. COMMENTS OF THE TASK FORCE**

**15. ADJOURNMENT NEXT REGULAR MEETING IS SCHEDULED FOR TUESDAY, OCTOBER 9, 2018** at 3:00 p.m. at the City Hall Cowles Council Chambers, 491 E. Pioneer Avenue, Homer, Alaska.





## City of Homer

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To: HERC Task Force  
From: Julie Engebretsen, Deputy City Planner  
Date: September 20, 2018  
Subject: Staff Report

The last few weeks have been a whirlwind. Some good conversations and progress happening! Thank you for your ongoing participation and enthusiasm.

I have scheduled some work sessions. I am leaving these open so that if small groups want to get together to work on a section of the opportunity plan, we can do that. The bold dates below are full task force meetings. The other dates are as needed.

### **Outline of final 2 months**

October 4<sup>th</sup> Work session with Larry Peek, Architect, on use. Feel free to send me questions so I can prep Larry!

**October 9: Draft of the opportunity plan.** I will be contacting you about the sections you volunteered to work on.

October 15: Brown Bag at the Library

October 16: work session

**October 23** – review mostly finished recommendations/opportunity plan

October 30: work session

November 5<sup>th</sup>, Brown Bag

**November 13:** review final document, make final recommendation or set of recommendations to City Council

**November 27:** (last meeting if we need it.)

### **Ongoing:**

Michael Haines continues to work on the Opportunity Plan. Staff is mindful of the Task Force not wanting to go too far with the document, but also the need to document the hows and whys of our collective work. I have likely already contacted individual members to flesh out some of the remaining sections. Mike is doing the bulk of the document –THANK YOU!





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To: HERC Task Force  
From: Julie Engebretsen, Deputy City Planner  
Date: September 20, 2018  
Subject: Follow up on community conversations

### **Introduction**

I'd like to go over the community conversations that I have been part of. Then we can talk as a group about these or other themes that have arisen in your efforts to far.

### **Business focus group:**

Karin and I held a small focus group on Wednesday September 12<sup>th</sup>. First topic brought up? Child care.

### **Diverging viewpoints:**

- Remodel vs new construction. Some citizens supported demolish of the building. Others thought a remodel might be a viable option – but not at government contract rates.
- Remodel makes sense only if there is a specific, identified need. The facility can be renovated within a reasonable budget but there must be a plan on how to do it and what the end result will be.
- There must be a firm plan in place for how the building will pay for itself/be sustainable. Its an economic/business model.

### **Consensus Points:**

- The HERC property is an important, long-term community asset.
- There is little community appetite for increased taxes or revenues to pay for a new city rec facility.
- There is support for some type of public/private partnership. This could be the city retaining land ownership, and a long term lease to a private/nonprofit entity to build and possibly operate/maintain a new facility. The private/nonprofit sector can build (and maintain and operate) at a much lower cost than government. The activities in the building could be public recreation or some combination of City recreation, and private activity (like childcare). (The Kenai rec center is an example: city owned, leased to Boys and Girls club).
- The group did not support the idea of the city providing market rate rental space in the upstairs of the HERC. Specifically, the type of rental space that is already available in our community – office space, etc.

- Some guiding principles were that the community needs need to be identified, look at who could run the facility, decrease city staff demands, and make this of financial benefit to the city.
- As far as the land, think very long term, not 10-20 years.
- Could demo part of the building in the interest of reducing operating/maintenance costs, and possibly renovate the gym. This would buy time to demo HERC 2, and make more long term plans.
- Its an important role for the city to be heavily involved with this site, for site planning and land use planning.

#### **HACA – Homer Arts and Culture Alliance September 5<sup>th</sup> and 19<sup>th</sup>.**

Asia Freeman will make a brief presentation on the conversation at our meeting. HACA is a partnership of arts and culture entities in Homer – Pier 1 Theater, the college, Pratt Museum, Homer Council on the Arts (HCOA), Bunnell, etc. The city participates at time, as well as other organizations and related businesses.

- Childcare came up.
- The college, Pratt, HCOA, and Bunnell all said the HERC building does not provide the spaces they need, or they are adequately housed in their own buildings, or they have their own plans in motion, for at least the next 5 years.
- The existing HERC has some leverage for funding... but there needs to be a demonstrated, successful partnership operating in the building. For lack of a better term, there needs to be a business plan that shows the building users are able to work together in the building, and that the building is functional for their purposes. Then its attractive for funding to improve the building. Absent an organized user, grants would just be lots of money spent on an empty old building – not very attractive for grant agencies.
- This argument for this model is very similar to the business focus group, but with a few key differences. Both the HACA and business groups would have a firm plan in place prior to a major remodel. The HACA model would open up time and space for other community entities to figure out how they might use the HERC as allowed now under Fire Marshal regs. This trial would occur in the next 3-5 years. This would allow time for a nonprofit/business organization to grow as an organization, and to see if the HERC is a good fit for their operations. At that point, if the partnerships worked and the building was functional, then HERC would be attractive to grantors to renovate. But if the users of the building don't have a successful partnership, or the building configuration didn't work, then we would move on to demolition. (Staff note: my description here is rough, we can explore this concept further after Asia's presentation). Essentially this model is a plan for incremental increased use, to explore if a renovation is desirable or not.
- There was conversation that knocking down HERC 2 would be visible progress at the site. People want to see improvement!



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To: HERC Task Force  
From: Julie Engebretsen, Deputy City Planner  
Date: September 20, 2018  
Subject: 5 year Plan

Barry wrote up a 5 year, “limp along” plan (LAP). We will have a lot to recap at Tuesday’s meeting – the Council work session, and reports on the business focus group and the HACA conversation. And a guest speaker! But I would like the Task Force to reach consensus, maybe even make a motion, if you support the idea of this 3-5 year window of using the building as allowed by the Fire Marshal, and allowing the opportunity for some sort of public private partnership to be explored.

The key statement I’m looking for consensus on is: “The LAP provides the community and City time to cement a way forward with continuing use of facility while developing strategies and funding that would enable a “final” decision. Thus, at the end of the LAP period, the City will have two paths: 1) substantially rehabilitating/remodeling the building; or, 2) demolishing it.”

The details of the 5 year plan are less critical at this point – the mechanics of the who and the how of the partnership need time to evolve.

**Attached:** HERC 1: 5-Year Development Plan “Limp Along Plan”





Reiss: Draft-2 Memo for Discussion, 17 Sep 18  
[Memo is subject to revisions given forthcoming information.]

### **HERC 1: 5-Year Development Plan “Limp Along Plan”**

In deference to the City, a five-year development plan is a better fit for sustaining HERC 1 and surroundings without capital improvements, in its current state, with minimum upgrades along health & safety (H&S) lines. I call this a Limp Along Plan, (LAP). The LAP provides the community and City time to cement a way forward with continuing use of facility while developing strategies and funding that would enable a “final” decision. Thus, at the end of the LAP period, the City will have two paths: 1) substantially rehabilitating/remodeling the building; or, 2) demolishing it.

Conversely, a ten-year timeframe without more significant upgrades would result in continued and potentially accelerated deterioration of the building resulting in greater operations & maintenance (O&M) costs. If at the end of the 10-years, and a decision is made to renovate/remodel the HERC 1, the cost to do so would increase due to deterioration to the bones of the building and subsequent dollar escalations from 2028 activities. [Given a 10-year LAP, conversion to natural gas, a capital project, is advised]

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

Second order decisions per 1), substantially rehabilitating/remodeling the existing building, would be a \$2.5M to \$3M effort. The focus is on primary systems for H&S and ADA items: seismic upgrade, complete re-roofing, installing upsized water service & sprinkler system for entire bldg., replace galvanized pipes, interior upgrades to all rooms including kitchen, natural gas, etc. This would extend the life of the building approx. 20-years, but not address all code and compliance issues. It would be sufficiently robust to achieve an Educational Group E Classification, (including day care), per 2017/2018 International Building Code (IBC) and 13AAC50 designations/requirements.

Or, a \$4.5M to \$5M, (16,000sf x \$275/sf ~ \$4.5M), total upgrade/remodel including: roof and wall insulation; structural modifications as a result of heat efficiencies gained by added insulation; new windows, flooring and ceiling tiles; addition of alternative energy systems; exterior upgrades among others items that would give the community a building lasting 30+ years meeting modernized building sustainability standards.

Second order decisions per 2), demolition of the HERC 1, could be building another community recreation center of a comparable size, approx. 16,000sf x \$400/sf ~ \$6.5M, on the existing HERC 1 site or another City property. If the HERC 1 site, construction may be able to use, all or part, of the existing foundation. [*Refer to Michael Haines’, et.al, soon to be finalized “HERC Opportunity Plan” that includes a 12,000sf building at \$4.8M.*]

Or, sell a portion or entire HERC property and use the proceeds for other City required facilities, (e.g. Public Works Complex that would include a gym). A portion of the approx. 4.3-acre site should be reserved for a public park with skateboard area.

The best and most likely successful way to fund the capital-intensive options above is “public-private partnership(s)”.

[Notes:

- (a) The dollar values stated in this Plan are only rough-order-of-magnitude (ROM) estimates and subject to refinement including escalations based on need/use assessments, A/E involvement and when a project would be brought under contract.*
- (b) A 10% - 15% increase could be applied to ROM estimates.*
- (c) If private sector leads construction activities, costs could be reduced.]*

**Recommendations on 5-Year HERC 1 LAP:**

- a. HERC 1 lower level – Maintain limp along efforts at the lower level within IBC Assembly Group A-3 Classification: gym without spectators, community and lecture halls, etc. Currently, the HERC 1 gym is certified and the Zumba room will be so certified, given a few fire related upgrades that will be accomplished shortly. The remaining lower level rooms are not fire code certified and should continue to be used for storage. The restrooms require attention.
- b. HERC 1 upper level – continue to keep the upper level in a quasi-stasis state. Use is currently restricted to storage of Public Works’ materials, (2 rooms, currently).
  - (1) The upper level could be recertified as an IBC Business Group B Classification: professional services or service-type transactions, civic administration, educational occupancy for students above 12<sup>th</sup> grade, training and skill development not within a school or academic program, etc. The Kachemak Bay Campus was temporarily housed in the HERC upper level. If considered for B Classification it should be reused on a minimal basis, a couple of classrooms, to keep the upper level O&M costs down.
  - (2) To reuse the upper level under a B Classification and maintain an A-3 Classification for the lower level, a dual classification, the main stair well will probably require construction of walls to establish a “fire barrier” between the two levels. A consultant will provide clarification on this matter in October. Additional fixes will be required to restrooms, a HVAC contractor to check and bringing online room ventilators, flooring and ceiling tile patches, staged changes to E-fluorescent lights, among other minor actions.

[Notes:

- (a) There are more fixes needed than those associated with fire codes. Irrespective of a. and b., immediate fixes will be required to bring the building into near term usefulness: level and hot mop roof, address parking lot lights, and fencing repairs.*
- (b) I estimate the fix-it items would not require capital expenditures, apart from possibly the roofing items. Most can be accomplished incrementally by Public Works. Refer to Reiss – Notes on 5 Sep 18 charrette with Public Works.*
- (c) If material alterations to the build are experienced/required, they may necessitate a Code & Compliance review.*
- (d) Remodeling and retrofitting an existing building are fraught with uncertainties per: “one thing leads to another”.]*

“Build it and they will come” is a grand sentiment but the reality may best be characterized by the Sterling Community Center. It is underutilized. Refer to Mike Haines and Larry Slone investigations(s). Julie’s recent 11 Sep Staff Report discusses meeting with HACA in which she says “... all said they plan to

keep operations mainly in their own spaces...” . This sentiment was echoed in my conversations with The Center for Alaskan Coastal Studies and Homer Senior Center. Thus, they may not come.

[Notes:

- (a) *While Fireweed Academy has shown interest in moving into the HERC 1, it would necessitate significant renovations. The cost would probably not be captured by the Academy’s expenditures for facilities, upfront, nor pay for those renovations over a 10-year lease. The State and School District are best sources of money for a HERC 1 effort, but both are confined by other school building needs.*
- (b) *A scaled down version of the \$2.5M effort, to address an E Classification for a 10-year period, would be on the order of \$900K to \$1.3M. this version would include: hot mop roofing; upsized water service & sprinkler system; upgrades to ventilators, kitchen, bathrooms and lighting; and ADA items. A risk assessment would be appropriate prior to this effort.]*

As stated previously, any determination on the HERC 1 should be considered within community needs/uses, best practices, and sound economics.

*[Disclaimer: This author does not warrant the accuracy of repairs and/or cost analyses/estimates. The items herein are reflections on documents previously provided by the City, discussions with various parties during Task Force events, and contacts outside formal meetings.]*





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To: HERC Task Force  
From: Julie Engebretsen, Deputy City Planner  
Date: September 20, 2018  
Subject: Next Steps

- Opportunity Plan: I will be contacting each of you about the sections you agreed to work on. I'm aiming for October 3<sup>rd</sup> to compile a 50% draft...
- Send me your questions for Larry Peek/work session on October 4<sup>th</sup>. (No later than Monday the 1<sup>st</sup>, please)