

**NOTICE OF MEETING
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

A. October 9, 2018

6. VISITORS

7. STAFF REPORTS & Committee Reports

A. Julie Engebretsen, Deputy City Planner

8. PUBLIC HEARING

9. PENDING BUSINESS

A. HERC TF Summary and Recommendations

10. NEW BUSINESS

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, NOVEMBER 13, 2018 at 3:00 p.m. at the City Hall Cowles Council Chambers, 491 E. Pioneer Avenue, Homer, Alaska. A Work Session is scheduled for 3:00 p.m. Tuesday October 30, at the City Hall Cowles Council Chambers, 491 E. Pioneer Avenue, Homer, Alaska.



City of Homer

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

To: HERC Task Force
From: Julie Engebretsen, Deputy City Planner
Date: October 19, 2018, 2018
Subject: Staff Report

Upcoming dates:

October 23 meeting– review final recommendations

October 25th: Rotary Presentation, Dave, Crisi noon at the Bidarka

October 30: work session

November 5th, Brown Bag (Cancel?)

November 13: Review final document

November 26th: *tentative* presentation to the City Council during the regular meeting (10 minutes)

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

November 28th: Coffee Table – need 2 task force members to participate

- Chris story or other radio show?
- Public forum: who and when? I need 3 TF members to volunteer to help put this together!

Final Report Discussion

Introduction

At the last work session, task force members gave me direction to focus on this section of the document. Also, to neutralize some of the language, and simplify the recommendations. At this meeting, I'd the TF to vote on these final recommendations.

Questions:

1. Line 5: Format - Do we want recommendations at the beginning, or at the end?
2. Line 5-14: Bring your additional recommendations to the meeting! The rest of the document has the various ideas we have discussed. The recommendations in this section will be voted on and are the TF main statements!
3. We will go through each section – if you disagree with language, please be ready to suggest striking a specific line number, or have replacement language in mind.
4. See line 75 – the last paragraph. I struggled a little bit here – open to suggestions if this section is awkward to you!

Section 1: Recommendations and Opportunities

City Council of Homer Resolution 18-036(A), created the HERC Task Force and assigned a set of tasks. This report provides recommendations to address these five items.

Task Force Recommendations

Near Term:

1. Plan to keep HERC 1 in warm status for the next 3-5 years.
2. Make short-term repairs needed to maintain HERC-1 in warm status and prevent further deterioration. (\$60,000-\$100,000, see section 4.1.4)
3. Investigate community capacity and interest to spearhead a public- partnership within this building.
4. See #5 below for short and long term funding options.

Long Term: 5 years +

5. If nothing happens over a five-year period, reconvene a working group to discuss options. Options could range from planning a new facility, demolishing HERC 1 and 2 or taking advantage of any major changes that are not foreseeable right now.

Resolution 18-063(A) Tasks

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

The HERC Task Force has applied to the State Fire Marshal, to see if the upstairs can be used as is. If the Fire Marshal approves, without requiring substantial upgrades, then yes the upstairs can be used without capital improvement. There are some immediate costs, such as the roof, that require attention. A further breakdown of this and other items can be found in section 4.x.

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

Approximately \$500,000 would be a bare minimum to maintain IBC occupancies of A-3 on the lower level, and B on the upper level. If an E occupancy or K-12 school is desirable, then the cost rises from \$900,000 to \$1.3 million dollars, mainly for sprinklers and basic safety upgrades. This would extend the life of the building approximately 10 years, but does not result in a modern, energy efficient building and.

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

A ten-year timeframe would only be a desirable consideration for the City financially if there is a partnership in place. A partnership could be a school program, non-profits, or for profit start-

up, and would allow the city to retain the building without having to pay all of the increased facility costs, such as operations and maintenance. Building use in this scenario is limited to IBC A-2 thru A-4, B & E (including day care) Classifications. Briefly, a remodel of \$2.5 - \$3 million dollars would extend the life of the building approximately 20 years. A full renovation of \$4.5 M to \$ 5M would extend the building 30 years or more. It is unknown if any seismic upgrades would be required, or the potential costs. [Note: Above costs subject to minimum of 15%-20% correction, not included in above costs, and reflect 2018 estimates]. Section 4.1.3 provides more detail on these cost estimates.

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

Demolition of HERC 1 is estimated at \$750,000 and HERC 2 at \$250,000. The Task Force does not recommend demolition at this time.

Roughly, new government construction costs about \$400 per square foot. A new 8,500 square foot building would be a minimum size, with perhaps 12,000 being an optimum size. The current HERC 1 offers 16,000 square feet. An 8,500 square foot structure would run about \$3.4 million dollars for conventional construction. If a private party were to construct a pre-engineered metal building, costs could be lowered to about \$250 per square foot, or \$2.13 million dollars. The City would need a plan to pay for construction and ongoing maintenance and operations costs. That financial plan and revenue stream would dictate the size of building the city could afford to build and operate. See Section 4.2 for further details.

The Task Force does not recommend the City build a new facility at this time. In the future, if Homer citizens are willing to raise taxes or financial conditions change that would enable the city to pay for the construction, operations and maintenance of the building, a new building may be a wonderful addition to the community.

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

This question was answered in two ways: short term and long term. In the near term, existing operations and utility expenses are \$21,000 (2017). See Attachment 5 for a detailed analysis. The Task Force recommends analyzing existing user fees, and consider gym and zumba room rentals, if enough revenue could be generated to offset increased personnel and utility costs. Capital expenditures could be funded from HERC building depreciation or other sources as Council determines appropriate.

At this time, there does not seem to be broad community support for more taxes to pay for expanded building use (i.e. the upstairs), or a renovation. City finances do not currently allow for additional maintenance funding or higher utility costs that would be expected from increased building use. Therefore, a partnership with another organization is desirable to offset increased building expenses in the short term, if the upstairs is going to be used. The HERC Task Force recommends the city pursue a public private partnership, to attract users and investment to the building. In the longer term, 5 years or more, a partner is needed that could provide access to foundation or other private funding sources that are not readily available to the City. Other options include state and foundation grant funding, a ballot measure for a new tax, or a service area.