



# City of Homer

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

Office of the City Clerk

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## Memorandum Supplemental Packet

TO: MAYOR CASTNER AND HOMER CITY COUNCIL  
FROM: MELISSA JACOBSEN, MMC, CITY CLERK  
DATE: OCTOBER 25, 2021  
SUBJECT: SUPPLEMENTAL PACKET

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### **CONSENT AGENDA**

Homer City Council Unapproved Special Meeting Minutes of September 20, 2021 and Regular Meeting Minutes of September 27 and October 11, 2021. City Clerk.

Copy of October 11, 2021 Regular Meeting Minutes Page 3

Memorandum 21-176 from Mayor Castner Re: Appointments to the Parks Art Recreation & Culture Advisory Commission.

Copy of Memorandum 21-176 Page 15

### **VISITORS**

COVID-19 Agency Update – Derotha Ferraro, South Peninsula Hospital Public Information Officer (10 minutes)

Kenai Peninsula Homeless Coalition Strategic Plan – Tim Navarre (10 minutes) Page 16

### **ANNOUNCEMENTS PRESENTATIONS AND REPORTS**

Planning Commission written report Page 28

### **PUBLIC HEARINGS**

Seawall Improvement Special Assessment District Final Assessment Roll

Memorandum 21-192 and revised final assessment roll from Public Works Director, and Written Public Comments and Correspondence Page 31

Ordinance 21-62, An Ordinance of the City Council of Homer, Alaska Amending Homer City Code Title 9 Taxation-Generally to Enact Section 9.04.044 Annual Tax Levy-Registered Aircraft to Provide for a Flat Tax on Aircraft. Mayor.

Memorandum 21-193 from City Clerk as backup and written public comments Page 52

Ordinance 21-63, An Ordinance of the City Council of Homer, Alaska Settling the Current and Future Distributions of Income and Debt in the Natural Gas Distribution Special Assessment Bond Sinking Fund.

Memorandum 21-191 from City Manager as backup Page 77

Session 21-26 a Regular Meeting of the Homer City Council was called to order on October 11, 2021 by Mayor Ken Castner at 6:00 p.m. at the City Hall Cowles Council Chambers located at 491 E. Pioneer Avenue, Homer, Alaska, and opened with the Pledge of Allegiance.

**PRESENT:** COUNCILMEMBERS ADERHOLD, DAVIS, HANSEN-CAVASOS, LORD, VENUTI

**ABSENT:** COUNCILMEMBER SMITH (excused)

**STAFF:** CITY MANAGER DUMOUCHEL  
CITY CLERK JACOBSEN  
FINANCE DIRECTOR WALTON  
PUBLIC WORKS DIRECTOR KEISER  
CITY ATTORNEY GATTI

**AGENDA APPROVAL** (Only those matters on the noticed agenda may be considered, pursuant to City Council's Operating Manual, pg. 6)

Mayor Castner read the following changes and supplemental items: Under Resolutions there is Resolution 21-069(S), A Resolution of the City Council of Homer, Alaska Awarding a Contract to Furnish Two Blowers for the Waste Water Treatment Plant to APSCO,LLC/OTSA in the Amount of \$119,040 and Authorizing the City Manager to Negotiate and Execute the Appropriate Documents. City Manager/Public Works Director. And Memorandum 21-177 from Public Works Director as backup; Resolution 21-070(S), A Resolution of the City Council of Homer, Alaska Certifying the Results of the City of Homer Regular Election held October 5, 2021 to Elect Two City Councilmembers for Three Year Terms Each and One City Councilmember for a One Year Term. City Clerk. With Exhibit -A; Memorandum 21-175 from City Clerk as backup to Resolutions 21-071 Amending the Homer Planning Commission Policy and Procedures Manual and Resolution 21-072 Amending the Homer Planning Commission Bylaws; and Memorandum 21-176 as backup to Resolution 21-073 amending the Homer Gift, Donation, and Art Policies, Procedures, and Guidelines.

In addition, amending the agenda to take up Resolution 21-070 election certification and swearing in newly elected councilmembers immediately following Reconsideration.

LORD ADERHOLD MOVED TO APPROVE THE AGENDA AS AMENDED

There was no discussion.

VOTE: NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

**MAYORAL PROCLAMATIONS AND RECOGNITIONS**

**PUBLIC COMMENT ON MATTERS ALREADY ON THE AGENDA**

Larry Slone commented on Ordinance 21-62 regarding the flat tax for aircraft. He thinks this will make it easier to administer than the current system, and craft value can be difficult to determine so flat tax on aircraft weight is simpler. He doesn't know the impact, if any, on commercial operations, however it will have more of an impact on individuals who own small personal aircraft and were able to use the personal exemption. Under this new program they'll no longer have that exemption, but the flat tax shouldn't be too much, maybe \$100.

## **RECONSIDERATION**

There were no items for reconsideration.

The agenda was amended to take up Resolution 21-070 following Reconsideration.

- a. A Resolution of the City Council of Homer, Alaska Certifying the Results of the City of Homer Regular Election held October 5, 2021 to Elect Two City Councilmembers for Three Year Terms Each and One City Councilmember for a One Year Term. City Clerk.

Resolution 21-070(S), A Resolution of the City Council of Homer, Alaska Certifying the Results of the City of Homer Regular Election held October 5, 2021 to Elect Two City Councilmembers for Three Year Terms Each and One City Councilmember for a One Year Term. City Clerk.

LORD/ADERHOLD MOVED TO ADOPT RESOLUTION 21-070 BY READING OF TITLE ONLY.

LORD/ADERHOLD MOVED TO SUBSTITUTE RESOLUTION 21-070(S) FOR 21-070.

There was no discussion on the motion to substitute.

VOTE (substitution): NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

There was no further discussion on the main motion.

VOTE (main motion): NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

City Clerk Jacobsen administered the oath of office to newly elected Councilmembers Aderhold, Erickson, and Davis. Councilmember Erickson took her seat at the table.

**CONSENT AGENDA** (Items listed below will be enacted by one motion. If a separate discussion is desired on an item, that item may be removed from the Consent Agenda and placed on the Regular Meeting Agenda at the request of a Councilmember.)

- a. Ordinance 21-61, An Ordinance of the City Council of Homer, Alaska Amending the FY22 Capital Budget and Appropriating an Additional \$30,953 for a Total Expenditure of \$128,953 Divided Equally between the Water and Sewer Capital Asset Repair and Maintenance Allowance Funds for East Hill Road City Utility Betterments as part of the Alaska Department of Transportation and Public Facilities Repaving Project. City Manager/Public Works Director. Recommended Dates Introduction October 11, 2021 Public Hearing and Second Reading, October 25, 2021.

Memorandum 21-172 from Public Works Director as backup

- b. Resolution 21-067, A Resolution of the City Council of Homer, Alaska Accepting the 2020 Basic Financial Statements and Acknowledging the Management Letter Submitted by the City's Independent Auditor, BDO USA, LLP and Authorizing the City Manager to Execute the Final Report. City Manager/Finance Director.
- c. Resolution 21-068, A Resolution of the City Council of Homer, Alaska Awarding the Ramp 3 Drywell Installation Construction Contract to East Road Services, Inc. in the Amount of \$16,200 and Authorizing the City Manager to Negotiate and Execute the Appropriate Documents. City Manager/Public Works Director.

Memorandum 21-173 from Public Works Director as backup

City Clerk Jacobsen read the consent agenda and its recommendations.

LORD/ADERHOLD MOVED TO ADOPT THE CONSENT AGENDA AS READ.

There was no discussion.

VOTE: NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

## **VISITORS**

- a. Presentation of 2020 Audit - Bikky Shrestha, BDO USA, LLP. (10 minutes)

Bikky Shrestha reported on the 2020 audit. They prepared the audit in accordance with government and generally accepted auditing standard. Since the City received funds from federal sources it was also subject to audit in accordance with uniform guidance for the federal award. Mr. Shrestha said there are no findings to report and they are presenting an unmodified, or clean, opinion on the financial statements and on compliance.

- b. COVID-19 Agency Update Derotha Ferraro, South Peninsula Hospital Director of Public Relations & Marketing and Lorne Carroll, State of Alaska Public Health Nurse III (10 minutes)

Lorne Carroll, State of Alaska Public Health Nurse III, reported on updates to the State COVID-19 Dashboard and gave a step by step overview of how to navigate it. The state is still in red alert with 800 to over 2000 cases per day and hospitalizations are still high. He reviewed demographics of cases across the state and models that help gauge what we might be looking at in the future. Statewide, immunization rates are holding steady at 50% of all ages fully vaccinated, on the Kenai Peninsula Borough its lower at 42%, on the Southern Kenai Peninsula we're at 50%. He highlighted that the Alaska Public Health Alert Network released an alert on September 29<sup>th</sup> that was an urgent message for pregnant women and those trying to get pregnant in the near future to get vaccinated. August 2021 was the month with the highest death rate for pregnant women. The vaccination is safe and recommended for women in those categories.

Derotha Ferraro, South Peninsula Hospital (SPH) Public Information Officer, reported testing is slowing down at the hospital and positivity rates about the same over the last two weeks. She reported numbers on testing and a positivity rate between 7% and 9%, and reported on vaccinations, and also on hospital staffing. They have 52 positions open at the hospital and 18 are for nurses and 11 for CNA or patient care techs, so they're happy that 11 of the FEMA sponsored temporary relief health care workers arrived to help SPH, seven CNA's, two emergency room nurses, one labor and delivery nurse, and one surgical nurse. SPH supported a unified response of the state to research search the high demand for healthcare statewide and touched on efforts leading up to this. Currently SPH is able to meet the health care demands in our community, but can utilize the framework if needed. She reviewed hospitalizations, ER visits, and infusions over the last two months, and reported on upcoming vaccination booster and flu shot events. Ms. Ferraro also shared about the Notes of Gratitude Program that's available through the Alaska State Hospital and Nursing Home Association (ASHNHA) website, and other ways to express gratitude to our local healthcare workers.

**ANNOUNCEMENTS / PRESENTATIONS / REPORTS** (5 Minute limit per report)

a. Committee of the Whole Report

Councilmember Lord reported the heard the audit report from BDO staff.

b. Mayor's Report

Mayor Castner reported he spent the last few weeks reviewing the audit, preparing two pieces of legislation being introduced tonight, and working with the Public Works Director on the related to drainage management in developments of property.

c. Borough Report

Assembly member Lane Chesley reported the Homer High School roof project 1<sup>st</sup> phase of construction is complete and the Borough is planning the next phase of construction and identifying sources of funding for it, and that the Borough is advertising for a consultant for the

schematic design for Kachemak Selo School. There is a resolution at tomorrow's Assembly Meeting to classify 16.2 acres of land in Anchor Point and some amount will be set aside for the Anchor Point Food Pantry. The Homer Transfer Facility is in winter hours now and closed on Sunday, he asked about having some Sunday hours during the winter but there have been some unexpected expenses related to the cell at the Homer Solid Waste Facility.

d. Library Advisory Board

Library Advisory Boardmember Michael McKinney reported at their last meeting the Board voted to approve the donor recognition policy that addresses how and when donors to the library will be recognized and thanked. He summarized the changes to their bylaws that had first reading. He added they'll be doing outreach with the Rec Room to see how they might better serve Middle School and High School aged youth, and they're still looking for one Boardmember.

**PUBLIC HEARING(S)**

- a. Ordinance 21-59, An Ordinance of the City Council of Homer, Alaska, Accepting and Appropriating a Commercial Passenger Vessel Tax Program 2021 Grant from the State of Alaska for \$35,445 and a Commercial Passenger Vessel Tax Pass-Through Grant from the Kenai Peninsula Borough in the Amount of \$35,445 and Authorizing the City Manager to Negotiate and Execute the Appropriate Documents, and Appropriating the Funds to the Computer Aided Dispatch Capital Project. City Manager. Introduction September 27, 2021 Public Hearing and Second Reading October 11, 2021.

Mayor Castner opened the public hearing. There were no comments and the hearing was closed.

LORD/ADERHOLD MOVED TO APPROVE ORDINANCE 21-59 BY READING OF TITLE ONLY FOR SECOND AND FINAL READING.

In response to a question about use of the funds City Manager Dumouchel explained this money is coming through the American Rescue Plan Act (ARPA) Grant Program the State and Borough asked it be used on a project that would be eligible under the ARPA guidelines. The computer aided dispatch capital projects meets the eligibility requirements.

VOTE: NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

- b. Ordinance 21-60, An Ordinance of the City Council of Homer, Alaska, Amending the FY22/23 Capital Budget and Authorizing Expenditure of \$25,000 from the Homer Accelerated Road and Trail (HART) Program - Road Fund for the Development and

Implementation of an Integrated Pest Management Plan and Authorizing a Task Order with the Homer Soil and Water Conservation District to Assist with the Work. City Manager/Public Works Director. Introduction September 27, 2021, Public Hearing and Second Reading October 11, 2021.

Memorandum 21-167 from Public Works Director as backup

Mayor Castner opened the public hearing. There were no comments and the hearing was closed.

LORD/ADERHOLD MOVED TO APPROVE ORDINANCE 21-60 BY READING OF TITLE ONLY FOR SECOND AND FINAL READING.

There was no discussion.

VOTE: NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

**ORDINANCE(S)**

- a. Ordinance 21-62, An Ordinance of the City Council of Homer, Alaska Amending Homer City Code Title 9 Taxation-Generally to Enact Section 9.04.044 Annual Tax Levy-Registered Aircraft to Provide for a Flat Tax on Aircraft. Mayor. Introduction October 11, 2021, Public Hearing and Second Reading October 25, 2021.

LORD/ADERHOLD MOVED TO INTRODUCE ORDINANCE 21-62 BY READING OF TITLE ONLY.

Mayor Castner explained this ordinance is fairly self-explanatory, it brings us in line with what the Borough has already adopted and bring aircraft into parity with boats. We have a flat tax for vessels and it supports the aviation community, which is an economic engine, and would be larger if we support it tax wise. He feels it's a parity matter.

At the request of the Mayor, Attorney Gatti commented briefly regarding work on this ordinance when the Mayor learned of some issues related to aircraft taxation and the way it's structured with the Borough compared to how it is in Homer. In Homer they're taxed as personal property at an ad valorem rate and in the Borough there's a flat tax. Flat tax is authorized by Alaska Statutes Title 29 and a number of municipalities, based on aviation support, have adopted a flat tax in their jurisdiction. This ordinance parallels with the Borough, with some modifications.

Councilmember Lord commented she appreciates the impetus behind this ordinance and supports introduction. She'd like to understand the financial implications to the city. She



noted some potential verbiage edits regarding references to Anchorage. She also questioned line 57 that references physical inspection by the Homer assessing staff and she wonders if we have staff to do that.

City Manager Dumochel commented staff is working with Borough staff on determining the financial piece and will have a memo for the next meeting.

Councilmember Venuti noted the public testimony and conversation at the table on this matter has helped her better understand it since there wasn't any back up information provided.

Councilmember Davis suggested when staff is talking with the Borough about the total amount of revenue we get it would be interesting the know the average amount per plane or per individual to get a sense of how many people are paying and what the average amount is.

Mayor Castner noted the last iteration of the ordinance he sent the clerk had the correct information, so he was surprised about the typos and asked that they be corrected.

VOTE: NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

- b. Ordinance 21-63, An Ordinance of the City Council of Homer, Alaska Settling the Current and Future Distributions of Income and Debt in the Natural Gas Distribution Special Assessment Bond Sinking Fund. Mayor. Introduction October 11, 2021 Public Hearing and Second Reading October 25, 2021.

LORD/VENUTI MOVED TO INTRODUCE ORDINANCE 21-63 BY READING OF TITLE ONLY.

Mayor Castner noted some of the work he's done to help get the gas tax issues cleaned up. After Council agreed to pay of the note to the Borough, at that point everything owed to the city related to natural gas distribution, came to the city. What matters in this ordinance is it's declaring that the city is absorbing all future payments for assessments and all of the free main allowance.

Councilmember Lord asked for a staff overview on this. She understands the gist of the ordinance but some of the language in the ordinance is very specific and she needs to do some work to further her comfort level with it. On line 38 and 39, if there's unsurety about the dollar amounts, she questions what that means in the context of the ordinance.

Mayor Castner reviewed work he's done with the Finance Department to understand what we have that hasn't been paid on and don't expect to get paid, and it seems those properties are the State or other entities that have no intention of ever paying the assessment. Including the amount is more of a memorialization of that.

Discussion continued regarding the language of the ordinance and its overall intent, and that some of the language could be confusing because it's not flushed out.

City Manager Dumouchel confirmed he will have a memorandum on this at the next meeting. He saw a draft today and the Finance Director has done a nice breakdown, but it wasn't quite ready for this meeting.

It was requested they have time to discuss this further at a worksession or Committee of the Whole before the next meeting.

VOTE: YES: VENUTI, ERICKSON, ADERHOLD, LORD, DAVIS, HANSEN-CAVASOS

Motion carried.

## **CITY MANAGER'S REPORT**

### a. City Manager's Report

Mayor Castner commented on the information provided regarding the Borough tax foreclosure on the Kachemak Drive lots. He's spent some time thinking through the implications of the Borough foreclosing on two lots and by the act of the foreclosure erasing any clouds to title such as special assessments, mineral rights, or covenants. It baffles him how they can do that.

At the request of the Mayor, City Attorney Gatti explained Deputy City Planner Engebretsen talked to him about this and whether the property should be dedicated to a public purpose. Her memo speaks for itself and addresses some suggestions for the use of those properties. As they looked through this it brought forward the issue of the special assessment liens that are on the properties. It implicates two sections of title 29 enforcement of tax liens and related to special assessments. There's a provision in title 29 related to what happens when the Borough gets a clerk's deed when they go through their foreclosure process, that deed provides clear title but for federal and state tax liens. It raises question on how the special assessment liens are addressed. He'll speak with City Manager Dumouchel about this matter.

There was discussion about the timing of this matter and having more information in the next report.

## **PENDING BUSINESS**

## **NEW BUSINESS**

## RESOLUTIONS

- a. Resolution 21-069, A Resolution of the City Council of Homer, Alaska Awarding a Contract to Furnish Two Blowers for the Waste Water Treatment Plant to a Firm to be Announced in an Amount to be Disclosed and Authorizing the City Manager to Negotiate and Execute the Appropriate Documents. City Manager/Public Works Director.

Resolution 21-069(S), A Resolution of the City Council of Homer, Alaska Awarding a Contract to Furnish Two Blowers for the Waste Water Treatment Plant to APSCO,LLC/OTSA in the Amount of \$119,040 and Authorizing the City Manager to Negotiate and Execute the Appropriate Documents. City Manager/Public Works Director.

Memorandum 21-177 from Public Works Director as backup

LORD/ADERHOLD MOVED TO ADOPT RESOLUTION 21-069 BY READING OF TITLE ONLY.

LORD/ADERHOLD MOVED TO SUBSTITUTE RESOLUTION 21-069(S) FOR 21-069.

There was no discussion on the motion to substitute.

VOTE (motion to substitute): NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

There was brief comments of appreciation for the information provided in the supplemental packet, and discussion of the City Manager's ability or need to negotiate a contract that's being approved.

VOTE: NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

- b. Resolution 21-070, A Resolution of the City Council of Homer, Alaska Certifying the Results of the City of Homer Regular Election held October 5, 2021 to Elect Two City Councilmembers for Three Year Terms Each and One City Councilmember for a One Year Term. City Clerk.

Taken up at the beginning of the meeting

- c. Resolution 21-071, A Resolution of the City Council of Homer, Alaska Amending the Homer Planning Commission Policy and Procedures Manual to Update the Language and Appeal Filing Deadline and Remove the Section Addressing Appeals. City Clerk/Planning Commission.

LORD/ADERHOLD MOVED TO ADOPT RESOLUTION 21-071 BY READING OF TITLE ONLY.

There was discussion clarifying that the appeal language is coming out of the document to bring it in line with recent amendments to the appeals section in city code. Request was also made that when appeals are filed with a hearing officer that the Council be made aware so they can consider nuances of the arguments that are made.

VOTE: NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

- d. Resolution 21-072, A Resolution of the City Council of Homer, Alaska Amending the Homer Planning Commission Bylaws by Updating the Section Regarding Vacancies, Adding a Section on Teleconference, and Updating Language. City Clerk/Planning Commission.

LORD/VENUTI MOVED TO ADOPT RESOLUTION 21-072 BY READING OF TITLE ONLY.

There was no discussion.

VOTE: NON OBJECTION: UNANIMOUS CONSENT.

Motion carried.

- e. Resolution 21-073, A Resolution of the City Council of Homer, Alaska Updating the City of Homer Gift, Donation, and Art Policies, Procedures, and Guidelines to add a section on Murals, and Amend Language and Processes. City Clerk/PARCAC.

LORD/VENUTI MOVED TO POSTPONE TO A DATE NOT LATER THAN JANUARY 10, 2022 AND REFER IT TO PARCAC FOR FURTHER ANALYSIS OF LEGAL AND POLICY ISSUES ARISING FROM MURAL PLACEMENT ON PUBLIC PROPERTY.

VOTE: NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

### **COMMENTS OF THE AUDIENCE**

Gary Porter with Bald Mountain Air Service commented regarding Ordinance 21-62. He has a maintenance facility and operates expensive larger airplanes. When you tax this style of airplane it causes him to take the airplane someplace else. It's a question of economics, people with expensive airplanes to Anchorage, Palmer, and Wasilla where there are large welcoming maintenance facilities and the support the mechanics.

### **COMMENTS OF THE CITY ATTORNEY**

City Attorney Gatti had no comments.

### **COMMENTS OF THE CITY CLERK**

City Clerk Jacobsen announced openings on the Parks Art Recreation and Culture Advisory Commission, Economic Development Advisory Commission, and the Library Advisory Board, and a student representative seat on the Economic Development Advisory Commission.

### **COMMENTS OF THE CITY MANAGER**

City Manager Dumouchel thanked City Clerk Jacobsen for sitting in as Acting City Manager while he was out, he really appreciates that he can relax knowing that things are in good hands. He also announced jobs available including a financial analyst, building maintenance tech, a heavy equipment operator, Ice Plant Fish Dock supervisor, part time jail officer and parks maintenance laborer. He also announced recruitment for volunteer fire fighters.

### **COMMENTS OF THE MAYOR**

Mayor Castner welcomed the newly elected Council members and shared a sad good-bye to Councilmember Smith. He and Councilmember Smith worked together on things they had mutual interest in. He was a good participant and brought a little bit of balance to the Council, we had better discussions, and he'll miss his voice at the table.

### **COMMENTS OF THE CITY COUNCIL**

Councilmember Lord acknowledged today is Indigenous Peoples Day. We live in a rich state with first nation people living fabulous lives and it's interesting to learn the history of the people whose land we live on. She shared about visiting the Alaska Native Heritage Center with her family and encouraged others to check it out. She congratulated the newly elected councilmembers, welcomed Councilmember Erickson back to the table, and shared her appreciation for Councilmember Smith and the good discussion and debate they had. They come from different perspectives and they were able to listen to one another and work together kindly. She shared that next meeting she'll be participating by Zoom from the Statewide Harbormasters Association Conference, and appreciates the ability to participate remotely.

Councilmember Venuti welcomed the newly elected councilmembers back to the table. She shared about Councilmember Smith and the pride he had when he spoke about his family, she'll miss that. She noted Parks Superintendent Matt Steffy and Parks Art Recreation & Culture Advisory Commission Deb Lowney's recognition by the Alaska Parks and Recreation Association. She also expressed sadness about the loss of Alaska's best balladeer Hobo Jim. She too appreciates being able to participate remotely and will continue to do so until COVID numbers come down.

Councilmember Aderhold agreed that she'll miss Councilmember Smith at the table. He had a strong voice and she'll miss that. He was good at arguing his position and changed her mind on a number of items. She'll continue to try to channel that because he did bring valuable points to the table. She reminded listeners about the upcoming Redistricting Board presentation, Department of Transportation Airport meeting next week, and encouraged kindness and patience while we continue to work through our second year of COVID.

Councilmember Hansen-Cavasos thanked Councilmember Smith for his service, she enjoyed working with him and admired him. She welcomed the newly election councilmembers and looks forward to working with them this year.

Councilmember Davis shared his appreciation for being elected and hopes people will reach out to him and share their comments and questions. He will be absent from the next meeting for a family event that was planned quite a while ago and will be flying during the meeting time so won't be able to zoom in.

Councilmember Erickson commented it's fun to be back and see everyone. She looks forward to working with Councilmember Davis and will miss working with Councilmember Smith. She acknowledged his service and noted the time he put in attending a lot of the Commission meetings. She appreciates his wisdom and love for the town, and she knows we'll see him at the ball field and around town.

**ADJOURN**

There being no further business to come before the Council Mayor Castner adjourned the meeting at 8:20 p.m. The next Regular Meeting is Monday, October 25, 2021 at 6:00 p.m., Committee of the Whole at 5:00 p.m. All meetings scheduled to be held in the City Hall Cowles Council Chambers located at 491 E. Pioneer Avenue, Homer, Alaska.

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Melissa Jacobsen, MMC, City Clerk

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



# City of Homer

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

Office of the Mayor

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## Memorandum 21-176

TO: HOMER CITY COUNCIL  
FROM: MAYOR CASTNER  
DATE: OCTOBER 20, 2021  
SUBJECT: APPOINTMENT OF TO THE PARKS ART RECREATION AND CULTURE  
ADVISORY COMMISSION

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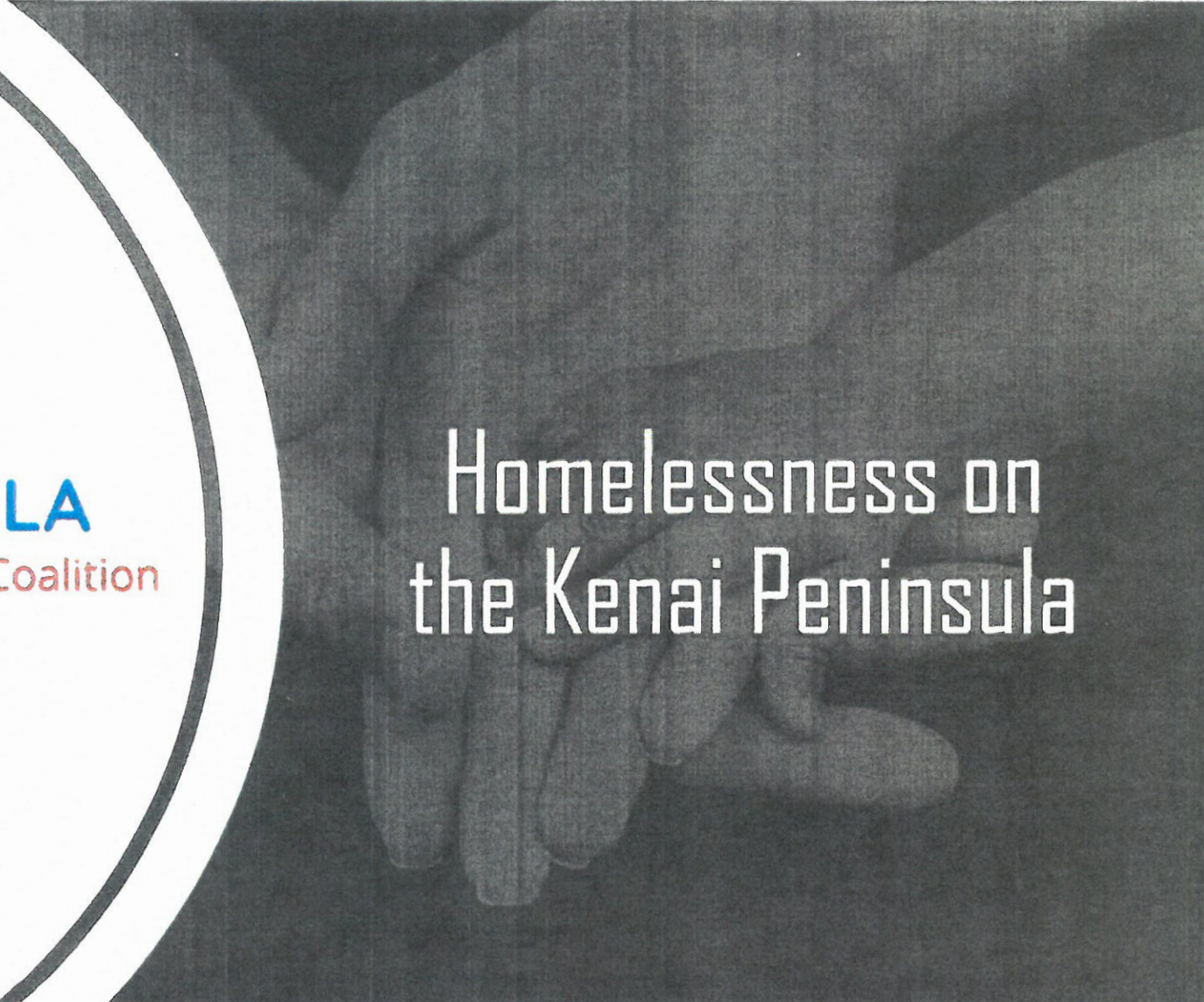
Robert Archibald, David Lewis, and Leon Galbraith are re-appointed to the Parks Art Recreation and Culture Advisory Commission. Their terms will expire October 31, 2024.

### Recommendation

Confirm the re-appointments of Robert Archibald, David Lewis, and Leon Galbraith to the Parks Art Recreation and Culture Advisory Commission.



**KENAI  
PENINSULA**  
Homelessness Coalition



# Homelessness on the Kenai Peninsula





# INTRODUCTION

- COALITION
- DATA AND STRATEGIC PLAN
- PUBLIC PROCESS



# KENAI PENINSULA

Homelessness Coalition

*The mission of the Kenai Peninsula Homelessness Coalition is to help homeless individuals and families achieve stability.*

SIGN UP FOR UPDATES

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## STRATEGIC PLAN FRAMEWORK

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**Mission** To help homeless individuals and families achieve stability.

**Priorities** Priority areas where focused effort is needed to change outcomes.

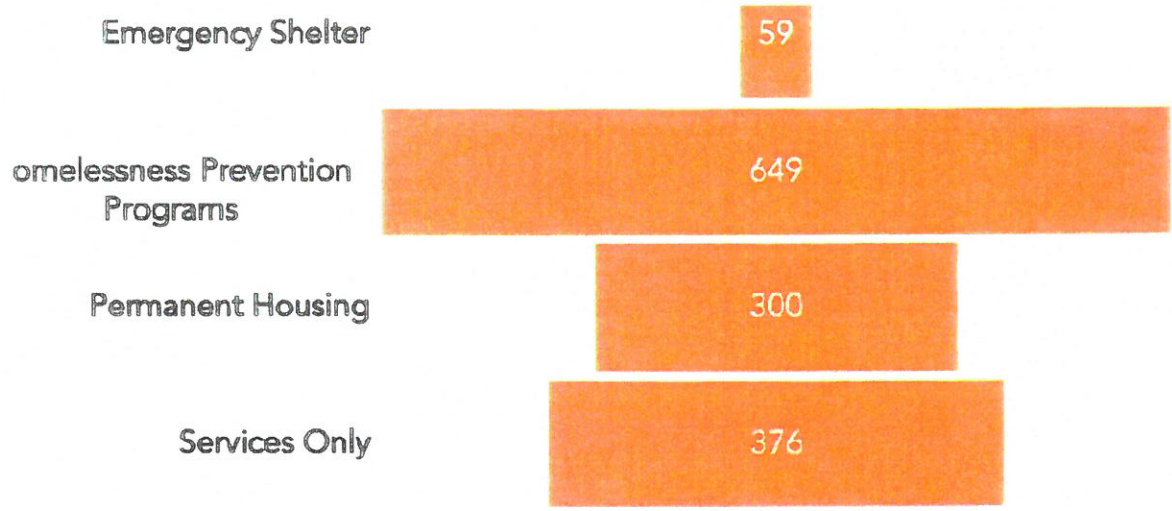
**Strategies** A coordinated set of actions designed to achieve success in the priority areas.

**Actions** Specific steps to carry out strategies. Actions for each strategy are updated annually.

**Lead** Those who will carry out the work.

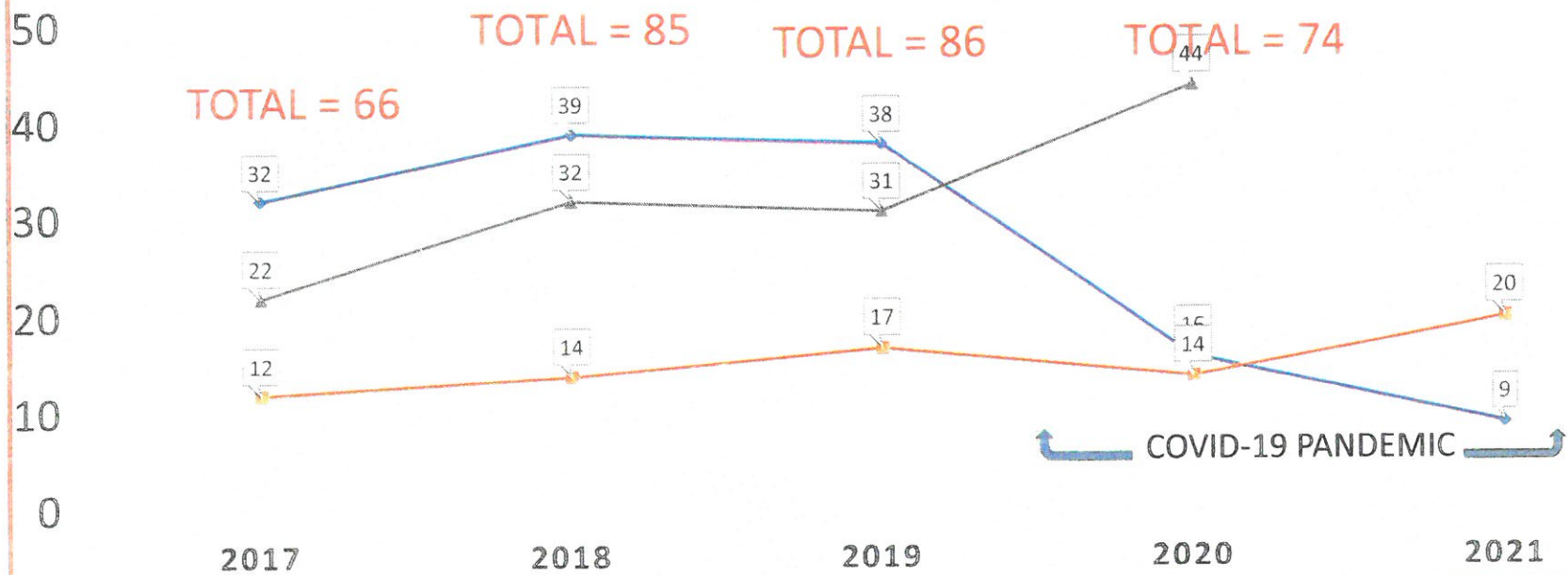
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# UNIQUE CLIENT COUNTS - KENAI PENINSULA 2019



### KENAI PENINSULA PIT 2017-2021

Emergency Shelter    Transitional Housing    Unsheltered



## ESTIMATED TOTAL KENAI PENINSULA HOMELESS 2019

|  |            |
|--|------------|
| Domestic Violence                          | 207        |
| Temporary Housing (Recovery/mental health) | 6          |
| Permanent Housing (previously homeless)*   | 300        |
| Emergency Lodging*                         | 59         |
| Services* (hotel vouchers)                 | 10         |
| Homeless Youth**                           | 261        |
| Unsheltered***                             | 31         |
| <b>TOTAL</b>                               | <b>874</b> |

\*AKHMIS - aggregate data

\*\* KPBSD

\*\*\*AKHMIS - PIT 2019



| Primary Reason for Homelessness | Percentage |
|---------------------------------|------------|
| **Other                         | 21%        |
| Loss of Job                     | 19%        |
| Illness / Injury                | 15%        |
| Domestic Violence               | 14%        |
| Substance Abuse                 | 4%         |
| Divorce                         | 4%         |
| N/A                             | 4%         |
| Lease Violation                 | 3%         |
| Jail / Prison Release           | 3%         |
| Work hours cut                  | 2%         |
| Rent / Utility Increase         | 2%         |
| Family Dispute                  | 2%         |
| Loss of Roommate                | 2%         |
| Eviction                        | 2%         |
| New to Community                | 2%         |
| Treatment Center Release        | 1%         |
| Aged out Foster Care            | 0          |

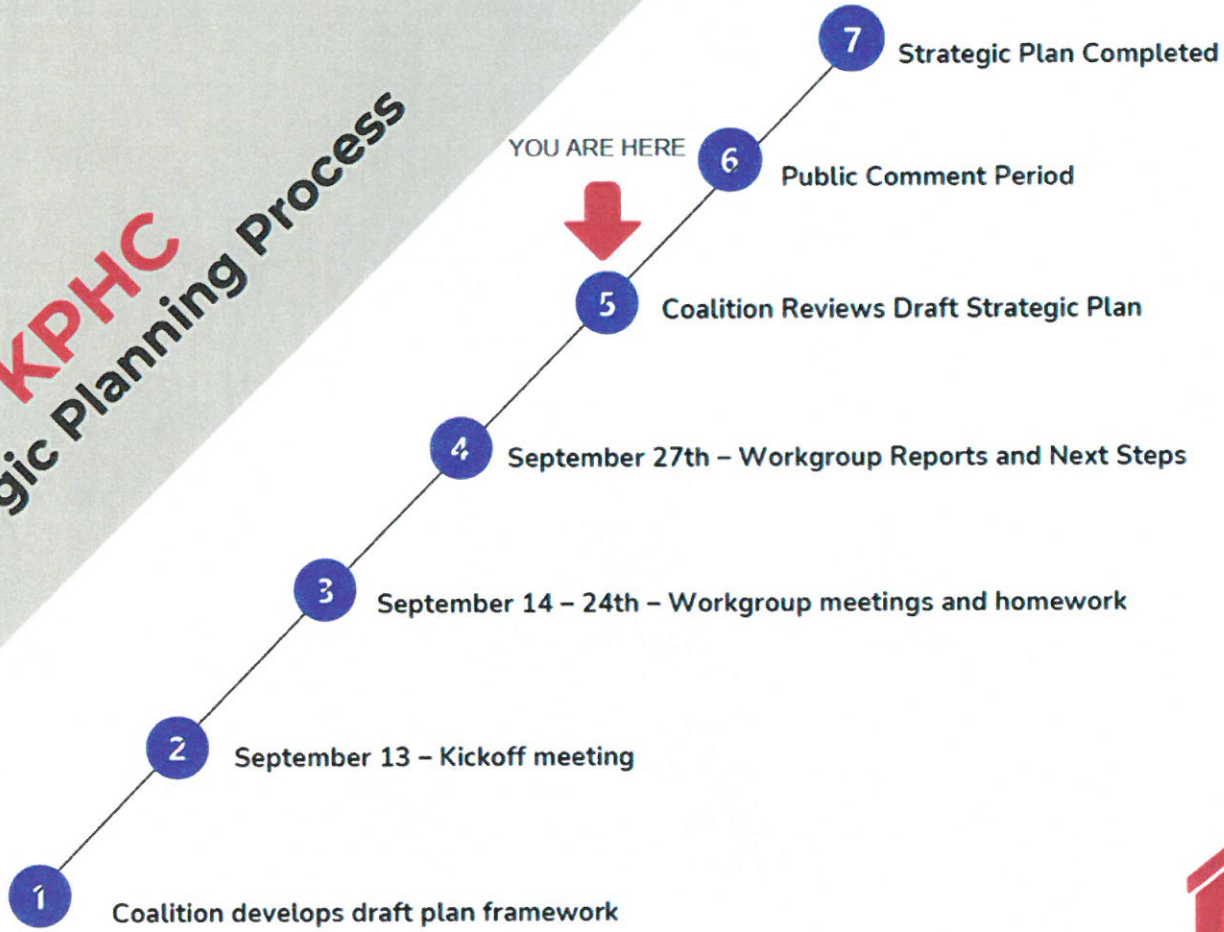
\*\*Other includes landlord issues, problem with current housing, loss of benefits, lost home to fire, no work, home not habitable, death in family, property taxes, lack of funds, asked to move out, own choice, can't find work, not enough summer work, natural disaster (earthquake)

**Source: Project Homeless Connect Final Report Kenai Peninsula, 2019**

|    | A                         | B              | C      | D     | E      | F     | G      | H     | I      | J     | K      | L             | M      |
|----|---------------------------|----------------|--------|-------|--------|-------|--------|-------|--------|-------|--------|---------------|--------|
| 1  | Region                    | SY 17          | HUY 17 | SY 18 | HUY 18 | SY 19 | HUY 19 | SY 20 | HUY 20 | SY 21 | HUY 21 | SY 22 to-date | HUY 22 |
| 2  |                           |                |        |       |        |       |        |       |        |       |        |               |        |
| 3  | Eastern Pen               | 5              | 1      | 5     | 1      | 17    | 3      | 11    | 5      | 6     | 0      | 4             | 0      |
| 4  | Central Pen               | 196            | 52     | 146   | 47     | 152   | 44     | 119   | 28     | 81    | 15     | 34            | 5      |
| 5  | Southern Pen              | 78             | 30     | 79    | 31     | 74    | 26     | 54    | 19     | 49    | 10     | 14            | 7      |
| 6  |                           |                |        |       |        |       |        |       |        |       |        |               |        |
| 7  | Connections (DW)          | 23             | 11     | 16    | 7      | 18    | 13     | 11    | 4      | 20    | 8      | 2             | 1      |
| 8  |                           |                |        |       |        |       |        |       |        |       |        |               |        |
| 9  |                           |                |        |       |        |       |        |       |        |       |        |               |        |
| 10 |                           |                |        |       |        |       |        |       |        |       |        |               |        |
| 11 |                           |                |        |       |        |       |        |       |        |       |        |               |        |
| 12 | Eastern Pen Communities:  | Hope           |        |       |        |       |        |       |        |       |        |               |        |
| 13 |                           | Seward         |        |       |        |       |        |       |        |       |        |               |        |
| 14 |                           | Moose Pass     |        |       |        |       |        |       |        |       |        |               |        |
| 15 |                           |                |        |       |        |       |        |       |        |       |        |               |        |
| 16 | Central Pen Communities:  | Nikiski        |        |       |        |       |        |       |        |       |        |               |        |
| 17 |                           | Kenai          |        |       |        |       |        |       |        |       |        |               |        |
| 18 |                           | Soldotna       |        |       |        |       |        |       |        |       |        |               |        |
| 19 |                           | Sterling       |        |       |        |       |        |       |        |       |        |               |        |
| 20 |                           | Kasilof        |        |       |        |       |        |       |        |       |        |               |        |
| 21 |                           | Cooper Landing |        |       |        |       |        |       |        |       |        |               |        |
| 22 |                           |                |        |       |        |       |        |       |        |       |        |               |        |
| 23 | Southern Pen Communities: | Ninilchik      |        |       |        |       |        |       |        |       |        |               |        |
| 24 |                           | Anchor Point   |        |       |        |       |        |       |        |       |        |               |        |
| 25 |                           | Clam Gulch     |        |       |        |       |        |       |        |       |        |               |        |
| 26 |                           | Homer          |        |       |        |       |        |       |        |       |        |               |        |
| 27 |                           | Kachemak       |        |       |        |       |        |       |        |       |        |               |        |
| 28 |                           | Nanwalek       |        |       |        |       |        |       |        |       |        |               |        |
| 29 |                           | Nikolaevsk     |        |       |        |       |        |       |        |       |        |               |        |
| 30 |                           | Port Graham    |        |       |        |       |        |       |        |       |        |               |        |
| 31 |                           | Seldovia       |        |       |        |       |        |       |        |       |        |               |        |



# KPHC Strategic Planning Process



# COMMUNITY DISCUSSIONS

- November 15<sup>th</sup> 6-7:30PM Southern Area Peninsula
- November 16<sup>th</sup> 6-7:30PM Central Area Peninsula
- November 17<sup>th</sup> 6-7:30PM Eastern Area Peninsula
- November 18<sup>th</sup> 6-7:30PM Entire Area Peninsula



We are excited to hold community discussions to help inform the strategic planning process.

Visit the Coalition website for more information, to see updated meeting links, or to sign up and receive email updates:

[www.kenaipeninsulahomeless.org](http://www.kenaipeninsulahomeless.org)



To: Mayor Castner and Homer City Council  
From: Scott Smith, Homer Planning Commissioner  
Date: October 20, 2021  
Subject: Planning Commission Report for City Council Meeting

Attending: All Commissioners attended with City Clerk Melissa Jacobson and City Planner Rick Abboud.

**Work Session:** Scott Huff, Platting Manager for the Kenai Peninsula Borough, was our guest speaker who was significantly beneficial with information answering many questions from Commissioners on the topic of using Platting to assist with Storm water and Transportation Planning. Watershed concerns are increasing as more subdivision Plats are developed in Homer. The current watershed codes are from the mid 1980's (estimated) and need revising urgently. Mr. Huff was the first of several planned speakers addressing topics to help HPC and the Planning Office develop much needed Code revisions to Code. Jan Keiser attended via Zoom and processed several questions with Mr. Huff.

### **Planning Commission Regular Meeting**

**AGENDA** Motion and Second was received. Chair Smith questioned the other Commissioners to see if they were able to review the packet regarding Public Hearing 21-64 Remand from the Board of Adjustments of CUP 20-15 at 106 W. Bunnell Ave. Commissioners responded affirmatively and Motion carried without objection.

**PUBLIC COMMENTS/RECONSIDERATIONS:** None.

**Consent Agenda** was passed without discussion or objections.

**PRESENTATIONS/VISITORS:** None

### **REPORTS**

**A. Staff Report 21-61, City Planers Report** – City Planner Abboud highlighted the considerations of improving Kachemak Drive which would include Non-motorized accommodations – a very expensive project; efforts to mitigate

invasive species; HERC funding; Strategic Planning with City Manager; and his efforts to learn about and possibly provide solutions for Homer's Homeless population.

**PUBLIC HEARINGS: Staff Report 21-64, Remand from the Board of Adjustments of CUP 20-15 at 106 W. Bunnell Ave.** In the matter of CUP 2020-15, following introduction, Chair Smith summarized paragraph one from Decisions and Order Remanding to the Planning Commission and paragraph two and following aloud (p. 22, 23 of the Planning Commission Packet). Chair Smith opened Public Hearing at which Frank Griswold read portions from his Appeal submission. He was not able to access Public Hearing via Zoom, stating the access codes did not work and therefore had to come to the Chambers for his presentations. He noted that this Public Hearing could not be valid due to the potential that others may have unsuccessfully attempted to access the Public Hearing using the same access codes. Public Hearing was then closed.

Commissioners Motioned to Postpone siting the need to review and learn more about Tax Law as applied to properties relating to this Remand, and to discuss other related topics regarding questions 1 – 3 of this Remand.

**PLAT CONSIDERATIONS:** None.

**PENDING BUSINESS: Staff Report 21-62, Parking Requirements for One-Bedroom Dwelling Units.** City Planner Abboud presented the Report. Motion was unanimously passed without discussion.

**NEW BUSINESS: Staff Report 21-63, Motion to Dismiss and Motion for Leave to Supplement Points on Appeal of CUP 20-15 Submitted by Frank Griswold.** Chair Smith requested Clerk Jacobson to define Motion for Leave. Motion was presented as follows: "I move that the Planning Commission denies taking up the Motion for Reconsideration and Motion for Leave to Supplement Points on Appeal of CUP 20-15 submitted by Frank Griswold and that the Planning Commission recommends the Board of Adjustments dismiss the appeal of CUP 20-15 due to the fact that the applicant has withdrawn their Conditional Use Permit Application and therefore the permit no longer exists."

Commissioner Highland offered that since the CUP was withdrawn, she would vote “yes” to the suggested Motion. Commissioner Bentz agreed. Motion passed unanimously without objection.

**COMMENTS OF THE AUDIENCE:** None.

**COMMENTS OF THE STAFF:** Commissioners thanked members of the Planning Office and Clerk’s office for their quality work and effort.

The next Regular Meeting will be held by Zoom on November 3, 2021 at 6:30 p.m.



# City of Homer

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

Public Works

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(p) 907- 235-3170

(f) 907-235-3145

## Memorandum 21-192

TO: Rob Dumouchel, City Manager

FROM: Janette Keiser, PE, Director of Public Works

DATE: October 21, 2021

SUBJECT: Homer Seawall Armor Rock Revetment Project –Adjusted Final Assessment Roll to Correct Mathematical Discrepancies

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**Issue:** The purpose of this Memorandum is to disclose some mathematical errors on the Final Assessment Roll previously submitted.

### **Background:**

After I submitted the Final Assessment Roll for the Armor Rock project, Mr. John Szajkowski, one of the property owners, brought to several mathematical discrepancies to my attention. Specifically, there were some discrepancies in the computation of the length of frontage on the Armor Rock Revetment.

For example, the length of one of the City of Homer properties was listed at 100 linear feet. The actual length of frontage on the Armor Rock Revetment is 130 feet. This is because the platted width of that lot is a line that runs straight from east to west 100 feet. The Armor Rock Revetment in front of that lot does not run in a straight line. Rather, it runs in a slanted line, which makes the linear feet of frontage on the revetment longer than the platted width.

We have double-checked the other lot dimensions and have adjusted the Final Assessment Roll to correct the dimensions on seven lots, which, except for that one City lot, had deviations of ten feet or less. The adjusted assessment cost per square foot is \$449.83. The attached spreadsheet showing what the final assessment values will be, reflects these corrections. When the time comes for the Council to take action on the Final Assessment Roll, these are the numbers we will be recommending.

I want to thank Mr. Szajkowski for bringing this matter to my attention and I apologize to the property owners for the errors.

**ACTUAL ARMOR ROCK IMPROVEMENT COST = \$780,119**

| PARCEL ID | KPB PARCEL_ID | LOT ADDRESS           | OWNER                          | FRONTAGE OF ARMOR ROCK REVETMENT | FINAL ASSESSMENT BASED ON FRONTAGE OF ARMOR ROCK REVETMENT |
|-----------|---------------|-----------------------|--------------------------------|----------------------------------|--|
| Z         | 17718013      | 811 Ocean Drive Loop  | RENNER, MARTIN                 | 100                              | \$ 43,582.04   |
| A         | 17718019      | 829 OCEAN DRIVE LOOP  | NEWBY REVOCABLE TRUST          | 200                              | \$ 87,164.09   |
| B         | 17718016      | 869 OCEAN DRIVE LOOP  | SZAJKOWSKI, JOHN J & JANET L   | 100                              | \$ 43,582.04   |
|           |               |                       | HOMER CITY OF                  | 30                               | \$ 13,074.61   |
| C         | 17717701      | 895 OCEAN DRIVE LOOP  | HUEPER, MARILYN                | 110                              | \$ 47,940.25   |
| D         | 17717702      | 917 OCEAN DRIVE LOOP  | NORMAN W SCHUMACHER TRUST      | 112                              | \$ 48,811.89   |
| E         | 17717703      | 939 OCEAN DRIVE LOOP  | IRWIN PATRICK L                | 100                              | \$ 43,582.04   |
| F         | 17717704      | 957 OCEAN DRIVE LOOP  | PFEFFER MARK E REVOCABLE TRUST | 100                              | \$ 43,582.04   |
| G         | 17717705      | 979 OCEAN DRIVE LOOP  | ABBOTT, FINDLAY                | 100                              | \$ 43,582.04   |
| H         | 17717706      | 997 OCEAN DRIVE LOOP  | HOMER CITY OF                  | 100                              | \$ 43,582.04   |
| I         | 17717707      | 1017 OCEAN DRIVE LOOP | HOMER CITY OF                  | 130                              | \$ 56,656.66   |
|           |               |                       | HOMER CITY OF                  | 90                               | \$ 39,223.84   |
| J         | 17717904      | 3102 LAKE ST          | JUMP, CHARLENE A               | 100                              | \$ 43,582.04   |
| K         | 17717903      | 1065 KRUETH WAY       | GOODE, LARRY JACK LIVING TRUST | 140                              | \$ 61,014.86   |
| L         | 17923036      | 1103 KRUETH WAY       | KING ,LAWRENCE A               | 128                              | \$ 55,785.02   |
| M         | 17923026      | 1121 SEA BREEZE CT    | FRANKLIN, CAMARRON JAY         | 75                               | \$ 32,686.53   |
| N         | 17923028      | 1137 SEA BREEZE CT    | LAWER, DAVID A                 | 75                               | \$ 32,686.53   |
|           |               |                       |                                | <b>1,790</b>                     | <b>\$ 780,118.57</b>                                       |



## SEAWALL ASSESSMENT DISTRICT ANALYSIS

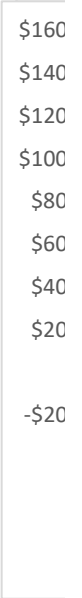
CK IMPROVEMENT COST = \$1,000,000

| PARCEL ID | KPB<br>PARCEL_ID | OWNER                                    |
|-----------|------------------|--|
| A         | 17718013         | RENNER MARTIN                            |
| B         | 17718019         | NEWBY REVOCABLE TRUST                    |
| C         | 17718016         | SZAJKOWSKI JOHN J & JANET L              |
| D         | 17717701         | HUEPER MARILYN                           |
| E         | 17717702         | 2016 NORMAN W SCHUMACHER REVOCABLE TRUST |
| F         | 17717703         | IRWIN PATRICK L                          |
| G         | 17717704         | PFEFFER MARK E REVOCABLE TRUST           |
| H         | 17717705         | ABBOTT FINDLAY                           |
| I         | 17717706         | HOMER CITY OF                            |
| J         | 17717707         | HOMER CITY OF                            |
| K         | 17717904         | JUMP CHARLENE A                          |
| L         | 17717903         | GOODE LARRY JACK LIVING TRUST            |
| M         | 17923036         | KING LAWRENCE A                          |
| N         | 17923026         | FRANKLIN CAMARRON JAY                    |
| O         | 17923028         | LAWER DAVID A                            |
| P         | 17923029         | LAWER DAVID A & BETSY                    |
| Q         | 17923030         | CUDDY JANE TRUSTEE LAWER CHILDRENS TRUST |
| R         | 17923033         | LAWER SARAH 2012 IRREVOCABLE TRUST       |
| S         | 17923027         | LAWER SARAH 2012 IRREVOCABLE TRUST       |
| T         | 17717807         | SCHEFFEL TIM                             |
| U         | 17717808         | MATTHEWS KELLY E                         |
| V         | 17717614         | TALBOTT JOSEPH C                         |
| W         | 17717615         | JAMES HARRY W                            |
| X         | 17717616         | SOTELO ED                                |
| Y         | 17717610         | O'CONNOR ABIGAIL                         |
| Z         | 17717611         | HAAS ANDREW H                            |

| LOT ADDRESS           | TIER STATUS          |      |                  |
|-----------------------|----------------------|------|------------------|
|                       | TOTAL ASSESSED VALUE | TIER | % TIERED BENEFIT |
| 811 OCEAN DRIVE LOOP  | \$ 398,600           | 1    | 100              |
| 829 OCEAN DRIVE LOOP  | \$ 452,700           | 1    | 100              |
| 869 OCEAN DRIVE LOOP  | \$ 487,700           | 1    | 100              |
| 895 OCEAN DRIVE LOOP  | \$ 578,500           | 1    | 100              |
| 917 OCEAN DRIVE LOOP  | \$ 183,500           | 1    | 100              |
| 939 OCEAN DRIVE LOOP  | \$ 125,600           | 1    | 100              |
| 957 OCEAN DRIVE LOOP  | \$ 46,400            | 1    | 100              |
| 979 OCEAN DRIVE LOOP  | \$ 33,400            | 1    | 100              |
| 997 OCEAN DRIVE LOOP  | \$ 2,100             | 1    | 100              |
| 1017 OCEAN DRIVE LOOP | \$ 2,600             | 1    | 100              |
| 3102 LAKE ST          | \$ 254,300           | 1    | 100              |
| 1065 KRUETH WAY       | \$ 516,600           | 1    | 100              |
| 1103 KRUETH WAY       | \$ 417,400           | 1    | 100              |
| 1121 SEA BREEZE CT    | \$ 254,600           | 1    | 100              |
| 1137 SEA BREEZE CT    | \$ 249,200           | 1    | 100              |
| 1143 SEA BREEZE CT    | \$ 551,800           | 2    | 50               |
|                       | \$ 37,600            | 2    | 50               |
| 1136 SEA BREEZE CT    | \$ 208,100           | 2    | 50               |
| 1120 SEA BREEZE CT    | \$ 32,800            | 2    | 50               |
|                       | \$ 42,400            | 2    | 50               |
| 1054 KRUETH WAY       | \$ 493,300           | 2    | 50               |
| 3119 LAKE ST          | \$ 268,900           | 2    | 50               |
| 1002 OCEAN DRIVE LOOP | \$ 282,800           | 2    | 50               |
| 984 OCEAN DRIVE LOOP  | \$ 46,300            | 2    | 50               |
| 964 OCEAN DRIVE LOOP  | \$ 57,000            | 2    | 50               |
| 946 OCEAN DRIVE LOOP  | \$ 204,800           | 2    | 50               |
|                       | \$ 6,229,000         |      | 2,050            |

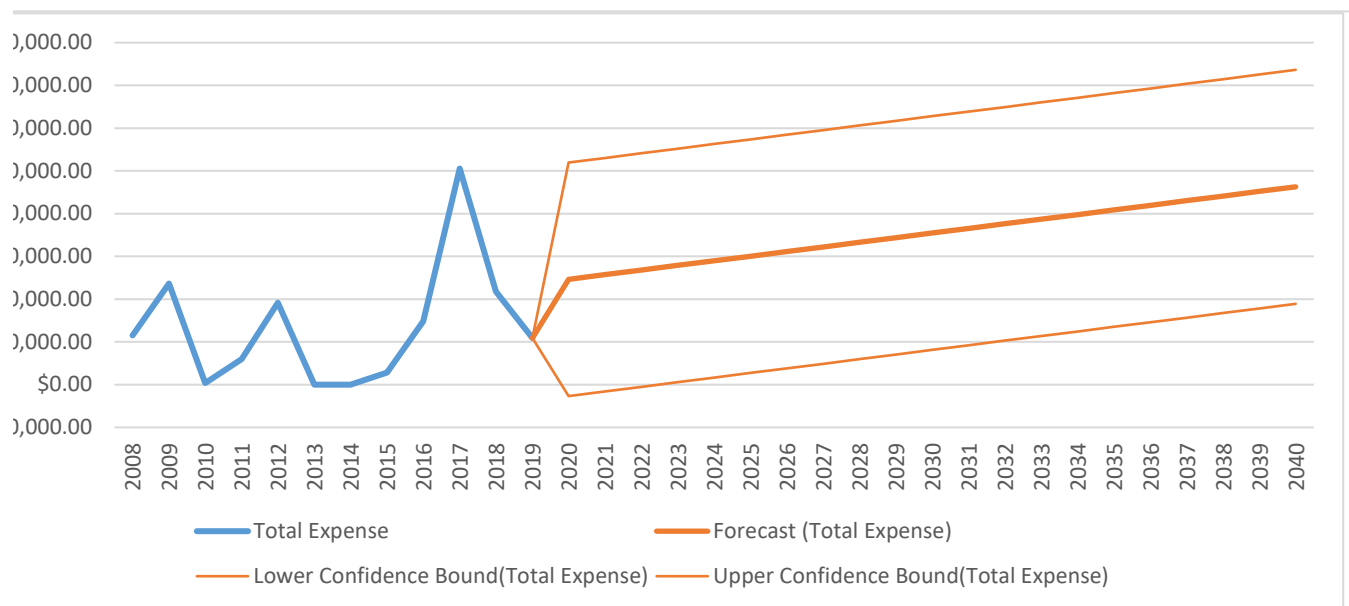
| <b>PROPOSED ASSESSMENTS</b> |                       |
|-----------------------------|-----------------------|
| <b>PROPRTY VALUE</b>        | <b>TIERED BENEFIT</b> |
| \$ 63,991.01                | \$48,780.49           |
| \$ 72,676.19                | \$48,780.49           |
| \$ 78,295.07                | \$48,780.49           |
| \$ 92,872.05                | \$48,780.49           |
| \$ 29,458.98                | \$48,780.49           |
| \$ 20,163.75                | \$48,780.49           |
| \$ 7,449.03                 | \$48,780.49           |
| \$ 5,362.02                 | \$48,780.49           |
| \$ 337.13                   | \$48,780.49           |
| \$ 417.40                   | \$48,780.49           |
| \$ 40,825.17                | \$48,780.49           |
| \$ 82,934.66                | \$48,780.49           |
| \$ 67,009.15                | \$48,780.49           |
| \$ 40,873.33                | \$48,780.49           |
| \$ 40,006.42                | \$48,780.49           |
| \$ 88,585.65                | \$24,390.24           |
| \$ 6,036.28                 | \$24,390.24           |
| \$ 33,408.25                | \$24,390.24           |
| \$ 5,265.69                 | \$24,390.24           |
| \$ 6,806.87                 | \$24,390.24           |
| \$ 79,194.09                | \$24,390.24           |
| \$ 43,169.05                | \$24,390.24           |
| \$ 45,400.55                | \$24,390.24           |
| \$ 7,432.97                 | \$24,390.24           |
| \$ 9,150.75                 | \$24,390.24           |
| \$ 32,878.47                | \$24,390.24           |
| \$ 1,000,000                | \$ 1,000,000          |

| Year | Total Expense | Forecast (Total Expense) | Lower Confidence Bound(Total Expense) | Upper Confidence Bound(Total Expense) |
|------|---------------|--------------------------|---------------------------------------|---------------------------------------|
| 2008 | \$23,000.00   |                          |                                       |                                       |
| 2009 | \$47,318.30   |                          |                                       |                                       |
| 2010 | \$715.17      |                          |                                       |                                       |
| 2011 | \$11,971.10   |                          |                                       |                                       |
| 2012 | \$38,292.31   |                          |                                       |                                       |
| 2013 | \$0.00        |                          |                                       |                                       |
| 2014 | \$0.00        |                          |                                       |                                       |
| 2015 | \$5,616.96    |                          |                                       |                                       |
| 2016 | \$29,720.25   |                          |                                       |                                       |
| 2017 | \$101,126.83  |                          |                                       |                                       |
| 2018 | \$43,597.51   |                          |                                       |                                       |
| 2019 | \$21,809.00   |                          |                                       |                                       |
| 2020 |               | \$49,294.12              | -\$5,341.21                           | \$103,929.45                          |
| 2021 |               | \$51,457.32              | -\$3,178.26                           | \$106,092.90                          |
| 2022 |               | \$53,620.52              | -\$1,015.49                           | \$108,256.54                          |
| 2023 |               | \$55,783.72              | \$1,147.02                            | \$110,420.42                          |
| 2024 |               | \$57,946.92              | \$3,309.24                            | \$112,584.60                          |
| 2025 |               | \$60,110.12              | \$5,471.10                            | \$114,749.14                          |
| 2026 |               | \$62,273.32              | \$7,632.55                            | \$116,914.09                          |
| 2027 |               | \$64,436.52              | \$9,793.54                            | \$119,079.50                          |
| 2028 |               | \$66,599.72              | \$11,954.01                           | \$121,245.43                          |
| 2029 |               | \$68,762.92              | \$14,113.90                           | \$123,411.94                          |
| 2030 |               | \$70,926.12              | \$16,273.17                           | \$125,579.07                          |
| 2031 |               | \$73,089.32              | \$18,431.76                           | \$127,746.88                          |
| 2032 |               | \$75,252.52              | \$20,589.60                           | \$129,915.44                          |
| 2033 |               | \$77,415.72              | \$22,746.66                           | \$132,084.78                          |
| 2034 |               | \$79,578.92              | \$24,902.87                           | \$134,254.97                          |
| 2035 |               | \$81,742.12              | \$27,058.18                           | \$136,426.06                          |
| 2036 |               | \$83,905.32              | \$29,212.54                           | \$138,598.10                          |
| 2037 |               | \$86,068.52              | \$31,365.89                           | \$140,771.15                          |
| 2038 |               | \$88,231.72              | \$33,518.18                           | \$142,945.26                          |
| 2039 |               | \$90,394.92              | \$35,669.35                           | \$145,120.49                          |
| 2040 |               | \$92,558.12              | \$37,819.35                           | \$147,296.89                          |



**\$1,489,448.53**

|                                       |             |
|---------------------------------------|-------------|
| Check: For Year 2040                  |             |
| Forecast:<br>Exponential<br>Smoothing | \$92,558.12 |
| Forecast: Linear                      | \$86,881.14 |



**SEAWALL ASSESSMENT DISTRICT ANALYSIS**

**ARMOR ROCK IMPROVEMENT COST = \$1,000,000 VS 20 YEAR MAINTENANCE**

| PARCEL ID | KPB<br>PARCEL ID | OWNER                                    |
|-----------|------------------|--|
| A         | 17718013         | RENNER MARTIN                            |
| B         | 17718019         | NEWBY REVOCABLE TRUST                    |
| C         | 17718016         | SZAJKOWSKI JOHN J & JANET L              |
| D         | 17717701         | HUEPER MARILYN                           |
| E         | 17717702         | 2016 NORMAN W SCHUMACHER REVOCABLE TRUST |
| F         | 17717703         | IRWIN PATRICK L                          |
| G         | 17717704         | PFEFFER MARK E REVOCABLE TRUST           |
| H         | 17717705         | ABBOTT FINDLAY                           |
| I         | 17717706         | HOMER CITY OF                            |
| J         | 17717707         | HOMER CITY OF                            |
| K         | 17717904         | JUMP CHARLENE A                          |
| L         | 17717903         | GOODE LARRY JACK LIVING TRUST            |
| M         | 17923036         | KING LAWRENCE A                          |
| N         | 17923026         | FRANKLIN CAMARRON JAY                    |
| O         | 17923028         | LAWER DAVID A                            |
| P         | 17923029         | LAWER DAVID A & BETSY                    |
| Q         | 17923030         | CUDDY JANE TRUSTEE LAWER CHILDRENS TRUST |
| R         | 17923033         | LAWER SARAH 2012 IRREVOCABLE TRUST       |
| S         | 17923027         | LAWER SARAH 2012 IRREVOCABLE TRUST       |
| T         | 17717807         | SCHEFFEL TIM                             |
| U         | 17717808         | MATTHEWS KELLY E                         |
| V         | 17717614         | TALBOTT JOSEPH C                         |
| W         | 17717615         | JAMES HARRY W                            |
| X         | 17717616         | SOTELO ED                                |
| Y         | 17717610         | O'CONNOR ABIGAIL                         |
| Z         | 17717611         | HAAS ANDREW H                            |







- ANNUAL IMPROVEMENT COST BENEFITTED LOT AREA
- ANNUAL IMPROVEMENT COST PROPERTY VALUE
- ANNUAL IMPROVEMENT COST DIRECT WALL FRONTAGE



■ DIRECT WALL FRONTAGE ■ PROPERTY VALUE ■ BENEFITTED LOT AREA/  
■ TIERED BENEFIT ■ EVERYONE EQUAL



A





# City of Homer

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

## Public Works

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Homer, AK 99603

[publicworks@cityofhomer-ak.gov](mailto:publicworks@cityofhomer-ak.gov)  
(p) 907- 235-3170  
(f) 907-235-3145

September 22, 2021

Heather and Martin Renner  
811 Ocean Drive Loop  
Homer, AK 99603

By Email: [crestedauklet@gmail.com](mailto:crestedauklet@gmail.com) and [mrenner@gmx.com](mailto:mrenner@gmx.com)

### **RE: Proposal for Reimbursement of Armor Rock You Provided**

Dear Mr. and Mrs. Renner,

As you know, the City Council authorized us to compensate you, as a credit to future assessment, for the cost of the armor rock and other materials that were placed on the beach in front of your property, which we incorporated into the Armor Rock Revetment Project. The purpose of this letter is to explain what dollar value we propose as a compensatory credit, for the rock you purchased directly from Dribble Creek Rock Ltd., and the rock that was on your property before you bought it, and how we computed it.

First, for the rock you purchased directly from Dribble Creek, we propose a reimbursement credit that is equal to the invoice you supplied, which shows a value of \$21,630.25 for 240 tons of rock.

Second, since we didn't have an invoice for the rock that was on your property when you bought it, we had to estimate the tonnage of rock. There were 13 rocks, which we estimated weighted 2 tons each for a total of 26 tons or 52,000 pounds. Assuming the rock has a density of 173 pounds per cubic foot, yields a volume of 300 cubic feet or 11 cubic yards. Applying a factor of 1.6 to transition from weight to volume gives us a total volume of 18 cubic yards. We paid Psenak Construction \$114 per cubic yard for the larger armor rock pieces, which is more than the \$90 you paid Dribble Creek. If we apply the \$114 unit cost to the volume of in-place rock, 18 cubic yards, the total value of this volume of rock is \$2,052. Thus, we proposed to provide an assessment credit of \$2,052 for this volume. This means your total assessment credit would be \$23,682.25.

Resolution 20-092(A), which acknowledged the sufficiency of the Seawall Improvement Special Assessment District and Approving the Improvement Plan, Estimated Cost of Improvement and Assessment Methodology, specified the assessment methodology shall be the Direct Wall Frontage Lineal Foot Methodology. Your property has a Direct Wall Frontage length of 100 lineal feet.

Renner Assessment Credit

1

At the time of Resolution 20-092(A), the estimated project cost was \$945,661. Your estimated assessment was \$54,674.81. The actual project cost is \$780,118.57<sup>11</sup>. There are 1,735 linear feet of seawall. Thus, the cost per foot is \$449.64. Your assessment computes to 100 LF X \$449.64 or \$44,963.60. An assessment credit of \$23,682.25 brings your net assessment to \$44,963.60 - \$23,682.25, or \$21,277.35.

We are in the process of drafting the Final Assessment Roll, which will reflect your assessment of \$21,277.35

You will have the opportunity to comment on the Final Assessment Roll when it is reviewed by the City Council. The record establishing your right to this assessment credit is clearly documented, so I don't expect any controversy about it from the City Council or other parties in the Special Assessment District.

If you have any questions or concerns, feel free to call or email me.

Sincerely,

**CITY OF HOMER**



Janette (Jan) Keiser, P.E.  
Public Works Director

---

<sup>11</sup> When I wrote the April 20, 2021 memo to the City Manager, I forgot to include the cost of your assessment credit as part of the project cost. So, that memo erroneously reported the total project cost as \$756,458.32.

**From:** [Heather Renner](#)  
**To:** [Melissa Jacobsen](#)  
**Cc:** [Martin Renner](#); [Janette Keiser](#)  
**Subject:** comment on reimbursement for armor rock: Seawall Improvement Special Assessment District  
**Date:** Monday, October 25, 2021 6:28:50 AM  
**Attachments:** [PastedGraphic-1.pdf](#)  
[PastedGraphic-2.pdf](#)

---

CAUTION: This email originated from outside your organization. Exercise caution when opening attachments or clicking links, especially from unknown senders.

To the Homer City Council,

We appreciate all the work that has gone into the seawall revetment project and are glad that the armor rock is now protecting the seawall. We are writing to object to the City's proposed reimbursement for the rock we purchased, which does not reimburse us fully for our expenses. Resolution 20-092 stated that the City would reimburse us up to \$36,000 for previously purchased rock. The City instead proposes to pay us \$23,682 for our rock. Some history: our armor rock was purchased in two installments. We paid Dibble Creek \$21,630 for 250 tons of riprap in 2020. In addition, the previous owners spent over \$10,000 in 2009 to purchase 100 tons of riprap, which became ours when we bought the property. Unfortunately, despite an exhaustive search, nobody could locate receipts for the purchase, being more than 12 years ago. The City proposes to only pay us \$2,052 for the 2009 work, claiming that an "independent surveyor" assessed that as the value of the rock. It is unfortunate that a receipt no longer exists, but that was not part of the requirement and it is unreasonable to expect one more than 12 years old.

This work was done explicitly because our property had been removed by the City Council from the seawall assessment district. The City Council's decision to reverse course and add us into this new SAD adds significant financial burden to us for little return. We had nearly finished our own project, at a substantially cheaper price, our portion of the wall has sustained no damage and was not projected to by the erosion study cited in the deliberations. Further, the city council agreed in resolution 20-092 that the large riprap we purchased would not be moved away and used elsewhere. We are dismayed that this agreement was not honored, and many of our large boulders were moved elsewhere and incorporated into other portions of the seawall.

We have attached below a copy of the statement Don McNamara and Donna Rae Faulkner provided to Public Works, attesting to the value of the rock. We ask you to look at the photos of the rock that was installed at that time. We think no reasonable person would believe that this could be accomplished for \$2,052. You probably could not even get the heavy equipment brought to the site for that price. We respectfully request that the City honor the statement by the previous owners and the agreement in Resolution 20-092, and reimburse us the full value of \$31,630.

Heather and Martin Renner

811 Ocean Drive Loop  
Homer, Alaska 99603  
(907) 299-6402



-----

Letter from previous owners:

Dear Jan,

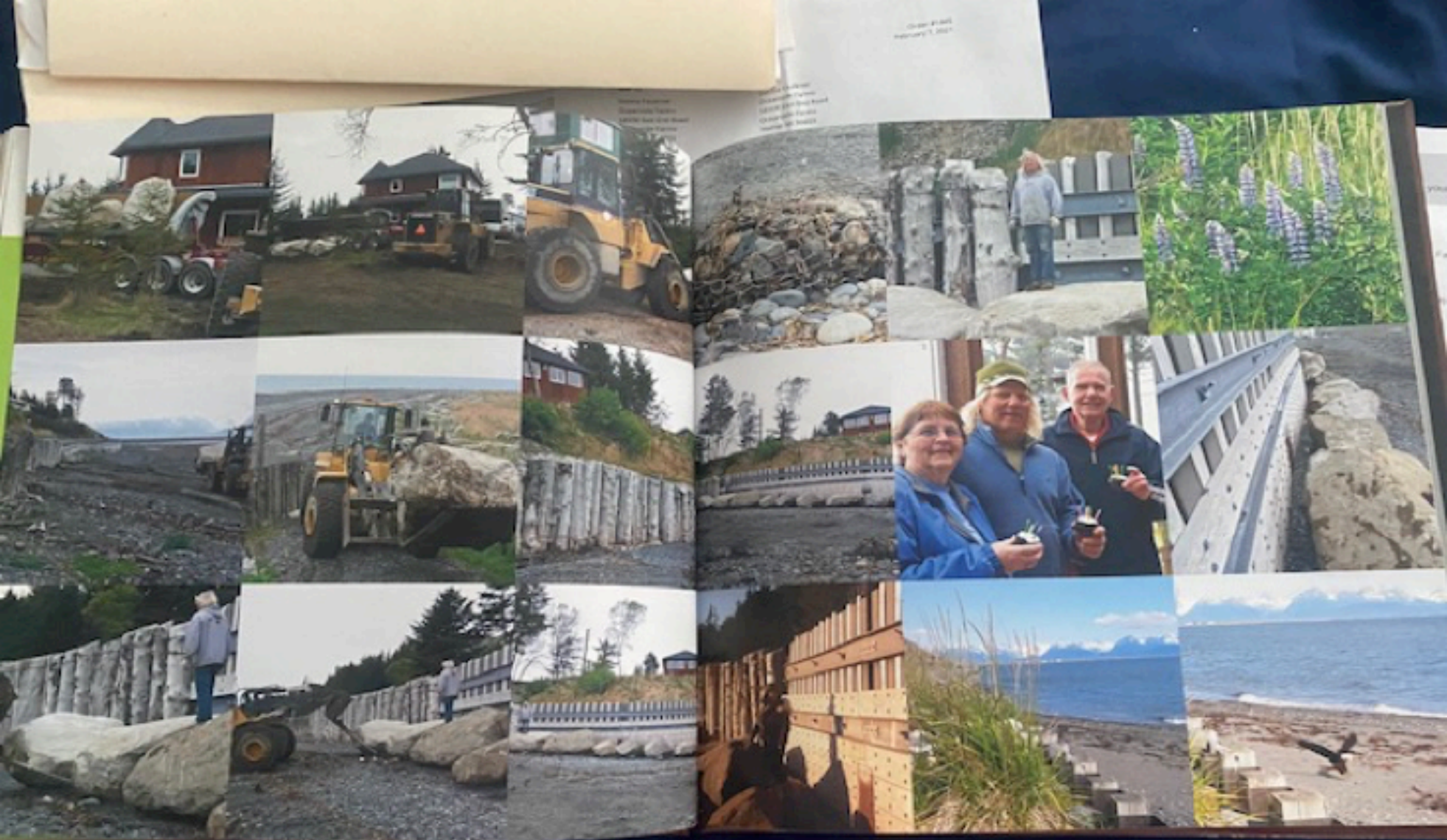
In May (or early June) 2009, Dibble Creek Rock Ltd. (DCR) delivered and placed large boulders / armor rock to protect the toe along the seawall paralleling Oscar Munson Subdivision Lot 34, KPB Parcel #17718013, which we owned at that time. The rock that was placed by DCR became part of the property of the above-mentioned parcel # that was then later purchased by Heather and Martin Renner in 2015.

Both we and DCR have exhausted our efforts in locating the receipts / invoices from over 12 years ago to no avail. Don and I attest that we have spent over \$10,000 on this revetment project, and the rocks are still present at the toe of the seawall today. Should you required additional information from DCR, they are more than happy to provide you with a statement of the project.

We are attaching 2 photos of pages from our family photo album that we took of the seawall in those times. You can note one or two of the loads with the DCR side dump truck with some of the armor rock on it in the top left photos. The Tillions, who own the property to the west, kindly to let us use their rampway down to the beach with all the heavy equipment. (You can even see the even older gabion baskets that were deteriorating in these photos!)

Sincerely, Don McNamara and Donna Rae Faulkner

58508 East End Road, Homer, AK 99603 (907) 299-7873



Order #1001  
February 1, 2011

Project #1001  
1001-1001-1001  
1001-1001-1001  
1001-1001-1001  
1001-1001-1001

and then there is the  
seawall...





# City of Homer

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

Office of the City Clerk

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Homer, Alaska 99603

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(f) 907-235-3143

## Memorandum 21-193

TO: MAYOR CASTNER AND HOMER CITY COUNCIL  
FROM: MELISSA JACOBSEN, MMC, CITY CLERK  
DATE: OCTOBER 21, 2021  
SUBJECT: ORDINANCE 21-62 SUBSTITUTE

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At the October 11<sup>th</sup> City Council meeting some question was raised related to references in the Ordinance that the Mayor clarified were not in his draft to the Clerk.

Ordinance 21-62(S) addresses those items.

There was also discussion regarding the reference to Homer Assessing Staff on lines 58 and 62. After discussion with the City Attorney, the suggested amendment is to change Homer Assessing Staff to Kenai Peninsula Borough Assessing Staff on lines 58 and 62.



3758 FAA RD, STE B  
Homer , AK 99603  
907-235-8122 Office  
907-235-6022 FAX  
[www.baldmountainair.com](http://www.baldmountainair.com)

Testimony by Gary Porter in support of Ordinance 21-62 (October 2021)

Homer's Ad Valorem tax treats aircraft differently than vehicles or boats and should be adjusted to a flat tax, providing parity. The flat tax structure has been enacted by the Kenai Peninsula Borough, as well as the Municipality of Anchorage, and Mat-Su Valley, but Homer has not yet followed suit. Currently, Homer's ad valorem tax on aircraft has effectively driven any potential aircraft maintenance business out of Homer, destroying the possibility of a thriving industry and employment for many Homer residents.

Wasilla, Palmer, Anchorage, Kenai and even Soldotna have thriving aviation support businesses. All of Homer's potential aviation and aircraft maintenance businesses are discouraged through our taxing structure which provides little true value to the City. The tax structure only serves to discourage year-round businesses where regular maintenance could be performed.

These businesses have been suppressed through an unnecessarily onerous tax structure for larger aircraft, which discourages local airplanes from staying here for annual maintenance, and anyone else flying into Homer from getting even easy problems fixed. When common problems arise for transient aircraft, such as a dead battery, flat tire or any other simple issue, it can ground an airplane in Homer. There is no service available. Aircraft which operate out of Homer all summer with our thriving tourism are encouraged to leave town for the winter for their annual maintenance rather than have that work performed locally, due to the taxing structure.

Lost potential wages paid to Homer workers cannot be known, but leaseholders out of 5 airports in the Mat Valley paid \$15.5 million in wages and benefits to direct employees of aviation related businesses. (Economic Contributions of Matanuska-Susitna Borough Airports; *Prepared for The Matanuska-Susitna Borough*, January 2016 )

Currently, the ad valorem structure exempts the first \$100,000, so smaller aircraft are less affected. Larger aircraft, which support summer tourism, need serious, expensive annual maintenance, but are currently discouraged with the tax structure from coming or staying here.

Larger, more valuable Homer based aircraft are typically relocated in winter, where annual work is basically "free maintenance" compared to staying locally and paying for no value with the tax. In fact, the City of Homer provides no support for the aircraft. AK DOT provides all airport fire and emergency services, plowing, sanding etc. The City does no plowing or maintenance of any kind at the airport. The City doesn't even allow transients to enter the Airport Terminal for a potty stop. Bald Mountain Air pays Homer taxes for sewer and water on their leased airport lot and hangar, but we get no city services directly involved with the aircraft.

Areas other than Homer have thrived through embracing a flat tax structure, thus ultimately encouraging maintenance businesses. We could supply lots of examples of maintenance bases which have grown in the MatSu Valley and elsewhere. Conversely, there have been no new commercial maintenance facilities built at the Homer airport in 25 years. Homer is well situated for providing annual maintenance for lots of Bristol Bay aircraft. Homer is the closest road system link for nearly 150 high value float planes operating there. Homer recently saw completion of a first class launching and recovery ramp for float planes on Beluga Lake, directly adjacent to the airport.

Homer supports a thriving marine maintenance industry by adopting the FLAT TAX schedule. Encouragement for aviation business could be similarly accomplished. It takes time to develop such industry, but it has to start with supportive, rather than prohibitive, legislation. Our community college would also like to encourage such business, but it all needs to start with correcting the tax structure.



# Economic Contributions of Matanuska-Susitna Borough Airports

*Prepared for*  
**The Matanuska-Susitna  
Borough**

January 2016



Wisdom • Trust • Relevance • Innovation

**PROFESSIONAL CONSULTING SERVICES IN APPLIED ECONOMIC ANALYSIS**

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## Abbreviations

|         |   |
|---------|---|
| ADOT&PF | Alaska Department of Transportation and Public Facilities   |
| AIP     | Airport Improvement Program                                 |
| BTS     | Bureau of Transportation Statistics                         |
| DCCED   | Department of Commerce, Community, and Economic Development |
| FAA     | Federal Aviation Administration                             |
| MSB     | Matanuska-Susitna Borough                                   |
| NAICS   | North American Industry Classification System               |
| O&M     | Operations and maintenance                                  |
| RASP    | Regional Aviation System Plan                               |



## Executive Summary

The diversity of size and scope of operations of public-use airports in the Matanuska-Susitna Borough (MSB) reflects the dual rural-urban nature of the borough. Similarly, the presence of 29 public-use and approximately 200 private-use aviation facilities in the MSB attests to the importance of both commercial and general aviation to the borough. While a unique mix of commercial and private aviation activity defines each of the largest public-use airports, in aggregate aviation in the MSB comprises a number of economic sectors that are vitally important to the larger economies of both the borough and Alaska. The MSB has contracted with DOWL to conduct comprehensive analysis regarding aviation in the borough, including an assessment of the economic impacts of eight of the MSB's public-use airports that together are home to the vast majority of the on-airport commercial operations in the borough. To this end, MSB and DOWL enlisted the support of Northern Economics, Inc.

This study conducted extensive analysis of the economic contributions of six state-owned and two municipally owned airports: Big Lake, Goose Bay, Lake Louise, Palmer, Skwentna, Talkeetna, Wasilla, and Willow. While these eight airports constitute only a small fraction of all the aviation facilities in the MSB, their collective economic contributions comprise much of the economic profile of aviation in the borough. The larger of these airports, in particular, provide fueling and maintenance services that are unavailable at most of the MSB's more than 150 other public- and private-use facilities and, therefore, are critical to the continued operation of these additional facilities. Businesses and government operations at the profiled public-use airports generate hundreds of jobs, as well as millions of dollars in labor income and capital and operating expenditures. Portions of the direct labor and output expenditures cycle back through the borough's and state's economies, creating additional jobs and spurring further economic activity. Northern Economics used extensive employment and expenditure data for leaseholders at many of Alaska's airports, in combination with a list of leaseholders at the MSB's profiled public-use airports, to estimate the number of jobs, labor income, and output generated by these airports.

As shown in Table ES-1, the study team estimates that profiled MSB airports were responsible for approximately 380 jobs, \$21 million in labor income, and \$17.5 million in output (business sales) within Alaska in 2014. More than 95 percent (370 of 380) of the jobs created by the MSB's profiled public-use airports and generated within the state were in-borough jobs; likewise, more than 95 percent of labor income associated with all in-state jobs was paid to employees working in the MSB. Meanwhile, capital and operating expenditures were more evenly distributed between the MSB and areas of the state outside the borough, with an estimated \$12.2 million spent within the borough and \$5.3 million spent in other areas of the state. The study team further found that indirect and induced labor income, which together comprise all labor income from jobs not directly tied to on-site airport operations but created by on-site airport activities, constituted less than 20 percent of all labor income in 2014. Indirect and induced output, meanwhile, comprised just over 20 percent of all output.

**Table ES-1. Estimated Direct, Indirect, and Induced Jobs, Labor Income, and Output Generated by Eight Profiled MSB Airports, 2014**

| Category                     | Number of Jobs |              | Labor Income |              | Output      |              |
|------------------------------|----------------|--------------|--------------|--------------|-------------|--------------|
|                              | In-MSB         | Other Alaska | (\$Millions) |              |             |              |
|                              |                |              | In-MSB       | Other Alaska | In-MSB      | Other Alaska |
| <b>Airport Operations</b>    | 10             | 0            | 0.6          | 0.3          | 2.7         | 2.3          |
| <b>Leaseholders</b>          | 360            | 10           | 19.9         | 0.5          | 9.6         | 3.0          |
| <b>Subtotals</b>             | 370            | 10           | 20.4         | 0.8          | 12.2        | 5.3          |
| <b>Total In-State Effect</b> | <b>380</b>     |              | <b>21.2</b>  |              | <b>17.5</b> |              |

Note: Indirect and induced employment figures have been rounded to the nearest ten jobs to reflect statistical uncertainty of modeling estimates. Job subtotals and totals also have been rounded to the nearest ten jobs. Number of jobs are presented in this table in terms of equivalent full-time jobs; Table 6 breaks down direct employment into full-time and part-time jobs.

Source: Northern Economics, Inc. and IMPLAN, 2015.

Interviews with MSB airport managers revealed several trends concerning aviation in the MSB. First, diversity of the communities and regions served by profiled MSB airports is reflected in the variable size, scope of services, and level of commercial versus private aviation activity across MSB airports. A few of the profiled MSB airports have little economic activity associated with them; one of these is located off the road system and represents the only means for transporting people and goods to and the community it serves. Other airports, such as Talkeetna, are home to commercial operations that are inextricably linked to the regional economy. Other trends in MSB aviation include a general increase in demand for aviation opportunities and associated support services that mirrors continued population growth within the borough; a disconnect between the ongoing expansion of aviation in the MSB and the amount of time that some airport managers have to focus on commercial growth at their respective airports; and a preference among many pilots who reside and keep their aircraft in rural locations outside the MSB to come to MSB airports for fuel and maintenance services.

# 1 Introduction and Study Purpose

Alaska's aviation industry drives local and state economic activity, provides vital support to many of the state's economic sectors, and acts as a lifeline between the state's rural communities and the world economy. Studies at the state level have shown that the businesses, agencies, and organizations that are located on airports and that comprise Alaska's aviation industry are a crucial component of Alaska's economy. They represent primary sectors of the economy such as government, trade, transportation and utilities, and hospitality and leisure. In FY 2007 these sectors were responsible for generating \$3.5 billion of the \$42 billion Alaska economy. This amount constituted 8.3 percent of Alaska's total Gross State Product and is 40 percent larger than the typical percentage seen in Lower 48 economies (Northern Economics 2009). The aviation industry in the Matanuska-Susitna Borough (MSB) is in many ways a microcosm of the statewide aviation industry but still reflects the borough's unique nature: the MSB is split by Alaska's largest highways, but includes vast reaches accessible only by air and water.

The purpose of this report is to document and estimate the economic contributions of MSB airports with the highest levels of economic activity. The aviation industry, as defined in this statewide analysis, includes all the businesses and organizations located at an airport. They are referred to in this report as "on-site entities." Spending by these firms and organizations results in other jobs and income—the "multiplier effect"—for businesses located elsewhere (i.e., "off-site"), creating a final economic effect that is greater than just the spending occurring on airports. This report builds on prior studies completed for the State of Alaska's Aviation System Plan in 2009 and 2011 by focusing exclusively on the MSB's network of municipal and state airports.

## 1.1 Report Structure

This report is broken into the following sections:

Section 1—Introduction

Section 2—Discussion of the airports included in this study

Section 3—Analytical methods

Section 4—Estimates of the economic contributions of on-airport activity in the MSB

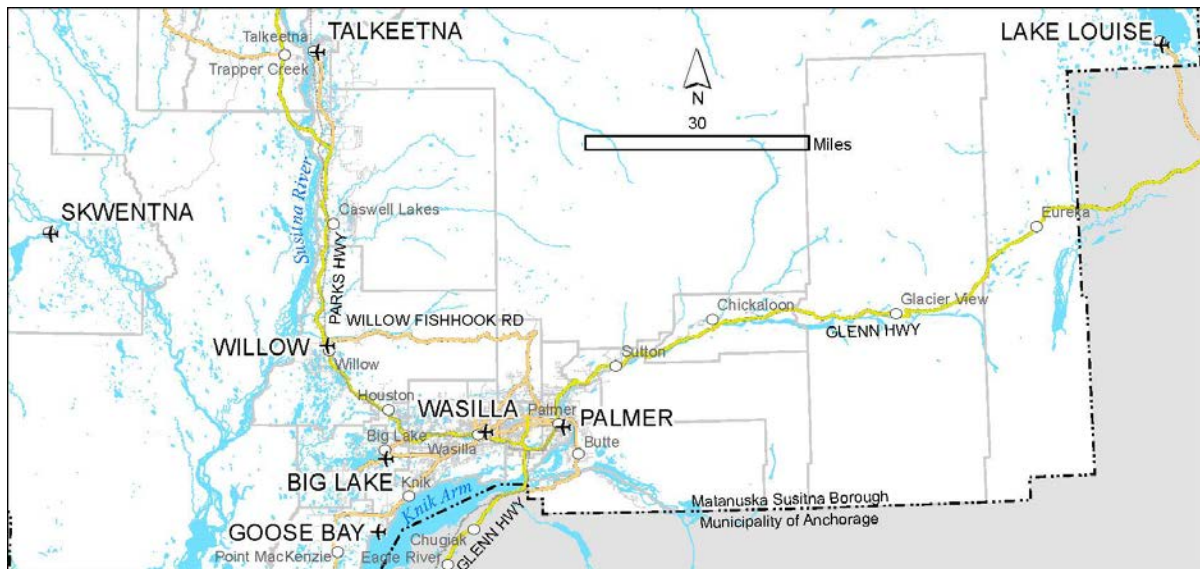
## 1.2 Acknowledgements

The authors of this report would like to acknowledge the contributions of individuals interviewed for the study, the State of Alaska's Department of Transportation and Public Facilities (ADOT&PF), the City of Palmer, the City of Wasilla, and Southeast Strategies.

## 2 On-Airport Aviation Activity in the MSB

This report focused on eight airports located in the MSB: Big Lake, Goose Bay, Lake Louise, Palmer, Skwentna, Talkeetna, Wasilla, and Willow. The Palmer and Wasilla Airports are municipal airports operated by the City of Palmer and the City of Wasilla, respectively. The remaining six airports are owned and operated by the State of Alaska through ADOT&PF. Each of these airports is unique in terms of size, scope of services, and usage, reflecting the MSB's diversity as both a rapidly growing suburban area and a region with significant rural character. Figure 1 is a map of the eight profiled MSB airports. Descriptions of each airport are provided below the figure.

**Figure 1. Profiled Airports of the Matanuska Susitna Borough**



Source: Alaska Map Company, 2015.

### 2.1 Profiles of MSB Airports

#### **Big Lake Airport (BGQ)**

The Big Lake Airport is a general aviation airport located in Big Lake, Alaska with a 2,450 foot gravel runway (Airnav 2015). Single engine aircraft predominate at Big Lake, with a small number of multi-engine and ultralight aircraft also present (see Table 1). While the majority of operations at the airport fall in the category of local general aviation, the airport plays an important role for transient general aircraft (see Table 2). Interviewees for this study indicated that many of the pilots who fly for local flightseeing operations park their aircraft at Big Lake for the summer. In this manner, Big Lake supports flightseeing operations at Talkeetna. Key informant interviews indicated that Big Lake is among the fastest growing airports in the region. Three mechanics are present at Big Lake, including one that specializes in rebuilding PA 20s; however, the airport has no fuel services. One air taxi helicopter service that retrieves wrecked aircraft is based at the airport. According to key informant interviews, this company brings in its own fuel and likely performs its own maintenance.

### **Goose Bay Airport (Z40)**

Owned by the State of Alaska and located near Point MacKenzie, Goose Bay Airport is a general aviation airport with a 3,000 foot gravel runway (Airnav 2015). There are no aircraft based at the airport (see Table 1), and interviewees indicated that the airport's remoteness has left aircraft parked there vulnerable to vandalism. The airport's primary role is as a practice field for pilots seeking to sharpen their takeoff and landing skills; all operations at the airport belong to Transient General Aircraft (see Table 2).

### **Lake Louise (Z55)**

Lake Louise Airport has a 3,000 foot gravel runway that recently was renovated and is in very good or excellent condition. One hundred percent of operations out of this state-owned airport are Transient General Aviation, as no aircraft call the airport home (see Table 1 and Table 2). The airport does not have any on-site fuel or other services, so pilots must make sure they are carrying sufficient fuel and equipment when flying into the facility.

### **Palmer Municipal Airport (PAQ)**

Palmer Municipal Airport is the largest and busiest airport in the study. The airport has a 6,000 foot asphalt runway, 3,600 foot asphalt runway, and a 1,500 foot gravel runway, all of which are in good condition. As the largest airport in the area, Palmer is home to over 100 aircraft (see Table 1), two fuel sellers, two maintenance companies, a custom fabrication shop, and a parts shop. In addition, the airport is home to firefighting aircraft and operations of the Alaska Department of Natural Resources, RAVN Alaska's fleet maintenance operations, and New Horizons Telecom.

### **Skwentna Airport (SKW)**

Inaccessible by road, the Skwentna Airport has a single 3,400 foot gravel runway that is in good condition. The airport is home to a limited number of aircraft owned by individuals living in Skwentna. However, the majority of the operations at the airport come from the Air Taxi and Transient General Aviation Communities (see Table 2), and no fuel or maintenance services are present at the facility. This airport is unique in the context of the sample of profiled airports because it supports a small community off Alaska's road system and thus functions more like airports of rural western Alaska than the on-road airports included in this study.

### **Talkeetna Airport (TKA)**

Talkeetna Airport is one of the busiest airports in the borough. A 2011 Northern Economics study estimated the Talkeetna Airport's annual economic contribution to the state's economy at \$5.6 million per year (Northern Economics 2011). The airport has a single 3,500 foot gravel runway and is the base for air operations that serve Denali National Park, with air taxis providing not only flightseeing operations but critical support during Denali's mountain climbing season. While a limited number of aircraft are based at the airport (see Table 1), the average number of operations exceeds 80 per day on an annualized basis, with significantly more activity in the summer (Airnav 2015). No self-serve fuel is available at Talkeetna, but Crowley refuels air taxi tanks and performs in-wing deliveries from a truck. In addition, an air taxi provider maintains a pump and sells low-lead fuel when open and staffed. Of the two maintenance shops located at Talkeetna, one also serves as an air taxi and flight school while the other is a relatively new machine shop that fabricates aircraft parts. The airport is home to four air taxi companies which alternately perform in-house maintenance to their aircraft and outsource maintenance to companies out of Lake Hood Airport and Merrill Field Airport.



**Wasilla Airport (IYS)**

Wasilla Airport is home to just under 100 largely single-engine aircraft. After Palmer Municipal Airport, Wasilla Airport is the second largest airport in the region in terms of the number of resident aircraft. In 2011, Northern Economics estimated that Wasilla Airport generated roughly in \$3.7 million in statewide economic output each year. While the Wasilla Airport is home to many more aircraft than Talkeetna (see Table 1), the overall economic output from the airport is smaller because Wasilla is home to more general aviation aircraft and no air taxi companies. Air taxis operators generally fly more frequently and spend more than general aviation operators, some of whom fly infrequently. One aircraft repair shop and one fuel seller are located at Wasilla Airport, although no truck delivery of fuel is available and fuel is sold via a self-serve fixed pump with a credit card lock. A new helicopter charter company will soon begin operations at Wasilla with a newly constructed hangar and at least three helicopters.

**Willow Airport (UUO)**

The state-owned Willow Airport offers a 4,400 foot gravel runway that is in good condition. The airport is home to a small number of aircraft, as well as a mix of transient general aviation, local general aviation, and air taxi operations (see Table 1 and Table 2). While comparable numbers of aircraft are based at Willow and Talkeetna, the number of average daily operations at the Talkeetna airport is roughly double that of Willow. However, Willow Airport does function as the MSB’s secondary flightseeing airport, with three air taxi operators located at the airport. None of these air taxi companies offer scheduled service, and each maintains its own fuel tanks and uses local mechanics. One fuel seller is based at Willow and sells fuel through a self-serve fixed pump with a credit card lock. In addition, the Alaska Department of Natural Resources kept a fuel truck on-site during summer 2015. Willow Airport also is home to three general aircraft maintenance companies and one flight school, and is the only one of the profiled airports that also includes a seaplane base. Moreover, Willow is the largest provider of gear change and float storage services in southcentral Alaska after Lake Hood.

**Table 1. Estimates of Based Aircraft, 2014**

| Airports                     | LID | Aircraft Based at Airport |           |             |            |          | Total      |
|------------------------------|-----|---------------------------|-----------|-------------|------------|----------|------------|
|                              |     | Single                    | Multi     | Ultralights | Helicopter | Gliders  |            |
| Big Lake                     | BGQ | 65                        | 2         | 3           | 0          | 0        | 70         |
| Goose Bay                    | Z40 | 0                         | 0         | 0           | 0          | 0        | 0          |
| Lake Louise                  | Z55 | 0                         | 0         | 0           | 0          | 0        | 0          |
| Palmer                       | PAQ | 94                        | 10        | 0           | 3          | 5        | 112        |
| Skwentna                     | SKW | 0                         | 0         | 0           | 0          | 0        | 0          |
| Talkeetna                    | TKA | 25                        | 1         | 0           | 0          | 0        | 26         |
| Wasilla                      | IYS | 73                        | 6         | 0           | 2          | 0        | 81         |
| Willow                       | UUO | 18                        | 0         | 0           | 1          | 0        | 19         |
| <b>Total, Eight Airports</b> |     | <b>275</b>                | <b>19</b> | <b>3</b>    | <b>6</b>   | <b>5</b> | <b>308</b> |

Source: Airnav, 2015.

Table 2. Operation Types by Airport, 2014

| Airports    | LID | Est. Operations Per Day | Portion of Operations (%)  |          |                        |          |
|-------------|-----|-------------------------|----------------------------|----------|------------------------|----------|
|             |     |                         | Transient General Aviation | Air Taxi | Local General Aviation | Military |
| Big Lake    | BGQ | 55                      | 40                         | 0        | 60                     | 0        |
| Goose Bay   | Z40 | 15                      | 100                        | 0        | 0                      | 0        |
| Lake Louise | Z55 | 0.8                     | 33                         | 33       | 33                     | 0        |
| Palmer      | PAQ | 96                      | 27                         | 10       | 63                     | 0        |
| Skwentna    | SKW | 9.6                     | 71                         | 29       | 0                      | 0        |
| Talkeetna   | TKA | 82                      | 53                         | 32       | 13                     | 2        |
| Wasilla     | IYS | 136                     | 49                         | 2        | 49                     | 1        |
| Willow      | UUC | 43                      | 38                         | 31       | 30                     | 2        |

Note: Military operations at Palmer are nonzero but constitute less than one percent of total operations.

Source: Airnav, 2015 for all airports other than Palmer.

## 2.2 On-Airport Businesses

The study team counted a total of 58 commercial and government leases across the eight MSB airports. This count excludes airport management operations, which are present in varying degrees at each of the profiled airports except Lake Louise. Table 3 shows the distribution of leases by airport and broad economic category, with each category including multiple economic sectors as defined by the North American Industry Classification System (NAICS) Code. By lease count alone, Table 3 suggests that the most economic activity is occurring at Willow, Palmer, and Talkeetna, while Big Lake and Wasilla exhibit moderate activity. Two leaseholders are present at Skwentna and none at either Goose Bay or Lake Louise. Aircraft services company leases comprise 34 percent (20 of 58) of all leases, while passenger concession or other, government, and airline leases comprise between 19 and 26 percent of total leases, respectively.

Table 3. Total Leases by Economic Category and Airport

| Airport                    | Aircraft Services (e.g., fueling, maintenance) | Airline: Passenger and Cargo | Government | Passenger Concession or Other not Specified | Total, All Categories |
|----------------------------|--|------------------------------|------------|---|-----------------------|
| Willow                     | 7  | 3                            | 3          | 2   | 15                    |
| Palmer                     | 5  | 2                            | 3          | 4   | 14                    |
| Talkeetna                  | 2  | 6                            | 4          | 2   | 14                    |
| Big Lake                   | 4  | 1                            | 0          | 2   | 7                     |
| Wasilla                    | 2  | 2                            | 0          | 2   | 6                     |
| Skwentna                   | 0  | 1                            | 1          | 0   | 2                     |
| Goose Bay                  | 0  | 0                            | 0          | 0   | 0                     |
| Lake Louise                | 0  | 0                            | 0          | 0   | 0                     |
| <b>Total, All Airports</b> | <b>20</b>                                      | <b>15</b>                    | <b>11</b>  | <b>12</b>                                   | <b>58</b>             |

Source: Northern Economics, Inc., 2015; Alaska Department of Community, Commerce, and Economic Development (DCCED), 2015.

## 2.3 Non-Profiled MSB Airports

While they comprise the vast majority of commercial aviation activity in the MSB, the eight profiled airports are only a small sample of all the borough's aviation facilities. As shown in Table 4, Federal Aviation Administration (FAA) data indicate that, in addition to the eight profiled airports, the MSB is home to 141 private-use and 21 public-use FAA-registered aviation facilities. Airports comprise 84 percent (119 of 141) of private facilities, while seaplane bases constitute 81 percent (17 of 21) of public facilities. Underscoring the importance of private facilities to general aviation activity in the borough, more single engine general aviation aircraft (515) are based at private facilities than public-use facilities (482).<sup>1</sup> Moreover, four times as many helicopters are based at private facilities (32) as public facilities.<sup>2</sup>

**Table 4. Number of Aircraft at Non-Profiled MSB Aviation Facilities, 2014**

| Facility Type                               | Facility Count | Number of Aircraft |                 |             |             |
|---|----------------|--------------------|-----------------|-------------|-------------|
|   |                | Single Engine GA   | Multi Engine GA | Helicopters | Ultralights |
| <b>Private Use Facilities</b>               |                |                    |                 |             |             |
| Airports                                    | 119            | 437                | 9               | 28          | 4           |
| Heliports                                   | 6              | 1                  | 0               | 4           | 0           |
| Seaplane Bases                              | 16             | 77                 | 0               | 0           | 0           |
| <b>Total, Private Use Facilities</b>        | <b>141</b>     | <b>515</b>         | <b>9</b>        | <b>32</b>   | <b>4</b>    |
| <b>Public Use Facilities</b>                |                |                    |                 |             |             |
| Airports                                    | 4              | 43                 | 1               | 0           | 0           |
| Seaplane Bases                              | 17             | 164                | 0               | 2           | 0           |
| <b>Total, Public Use Facilities</b>         | <b>21</b>      | <b>207</b>         | <b>1</b>        | <b>2</b>    | <b>0</b>    |
| <b>Total, Private and Public Facilities</b> | <b>162</b>     | <b>722</b>         | <b>10</b>       | <b>34</b>   | <b>4</b>    |

Source: FAA, 2015a.

In addition to the FAA-registered airports, the MSB's 2008 Regional Aviation System Plan (RASP) counted 53 unregistered private airports. The 2008 RASP further noted that private airports are found throughout the MSB but generally are concentrated in residential areas with road access.

## 2.4 Population Growth

The population of the MSB is growing more rapidly than that of any other region of Alaska. From 2000 to 2014, the populations of the communities that are home to the profiled airports grew, on average, at an annual rate of 2.3 percent, although the average growth rate slowed to 0.9 percent from 2010 to 2014. As shown in Table 5, the combined population of these communities grew by 37 percent over this period. Notably, each of the largest communities, including Wasilla, Palmer, and Big Lake, grew by at least 1.8 percent annually. However, population growth slowed dramatically in Palmer over 2010 through 2014 from the previous decade, and substantial growth in the Willow population from 2000 to 2010 was offset somewhat by a population decline from 2010 to 2014. Meanwhile, the populations

<sup>1</sup> This total includes 275 single engine aircraft based at profiled public-use airports and 207 aircraft based at non-profiled public-use airports.

<sup>2</sup> Two helicopters are based at non-profiled public-use facilities, while six helicopters are based at profiled public-use facilities.

of Lake Louise and Skwentna, with only around 100 residents each in 2000, fell dramatically from 2000 to 2014.

**Table 5. Population Change in Profiled MSB Airport Communities, 2000 to 2014**

| Airport      | Population Count |               |               | Average Annual Change (%) |            |
|--------------|------------------|---------------|---------------|---------------------------|------------|
|              | 2000             | 2010          | 2014          | 2000–2014                 | 2010–2014  |
| Big Lake     | 2,435            | 3,350         | 3,575         | 2.8                       | 1.6        |
| Lake Louise  | 88               | 46            | 47            | -4.4                      | 0.5        |
| Palmer       | 4,705            | 5,937         | 6,053         | 1.8                       | 0.5        |
| Skwentna     | 111              | 37            | 33            | -8.3                      | -2.8       |
| Talkeetna    | 731              | 876           | 850           | 1.1                       | -0.8       |
| Wasilla      | 5,504            | 7,831         | 8,275         | 3.0                       | 1.4        |
| Willow       | 1,657            | 2,102         | 2,043         | 1.5                       | -0.7       |
| <b>Total</b> | <b>15,231</b>    | <b>20,179</b> | <b>20,876</b> | <b>2.3</b>                | <b>0.9</b> |

Source: Alaska Department of Labor and Workforce Development, 2015.

The DCCED forecasts that the MSB’s population will grow from just under 94,000 in 2012 to more than 166,000 in 2042, equivalent to an average annual growth rate of 1.65 percent. The DCCED expects that the borough will experience population growth at the even higher annual rate of 2.2 percent through 2027.

### 3 Analytical Methods

As noted in Section 1, the purpose of this study is to document the economic importance of MSB airports to the borough, as well as to Alaska. This analysis relies predominantly on the following two analytical methods to capture the economic importance of the MSB's airports to the region they serve:

1. Estimates of Direct, Indirect and Induced Employment and Expenditures; and
2. Passenger, Mail, and Cargo Volumes.

#### 3.1 Estimates of Direct and Indirect Employment and Expenditures

In the absence of a direct survey of MSB airport leaseholders, this study relied on a variety of sources to estimate the economic contributions of profiled MSB airports. These sources, as well as the methodologies applied to their data, are described below. Importantly, this analysis sought to capture economic activity for airport-related enterprises alone, thus excluding economic activity of leaseholders with operations technically on airport land but unrelated to aviation or airport operations. Notable excluded activity is that associated with agricultural and golf course leases on Palmer Airport land. In addition, this study attempted to capture economic activity exclusively for the eight profiled airports. While these profiled airports are thought to comprise nearly all the on-airport economic activity in the borough, this analysis does not account for small-scale fuel purchases by private aircraft owners from gas stations or fueling facilities not located at the eight airports. It is beyond the scope of this study to estimate these fuel purchases.

##### 3.1.1 IMPLAN Input-Output Analysis

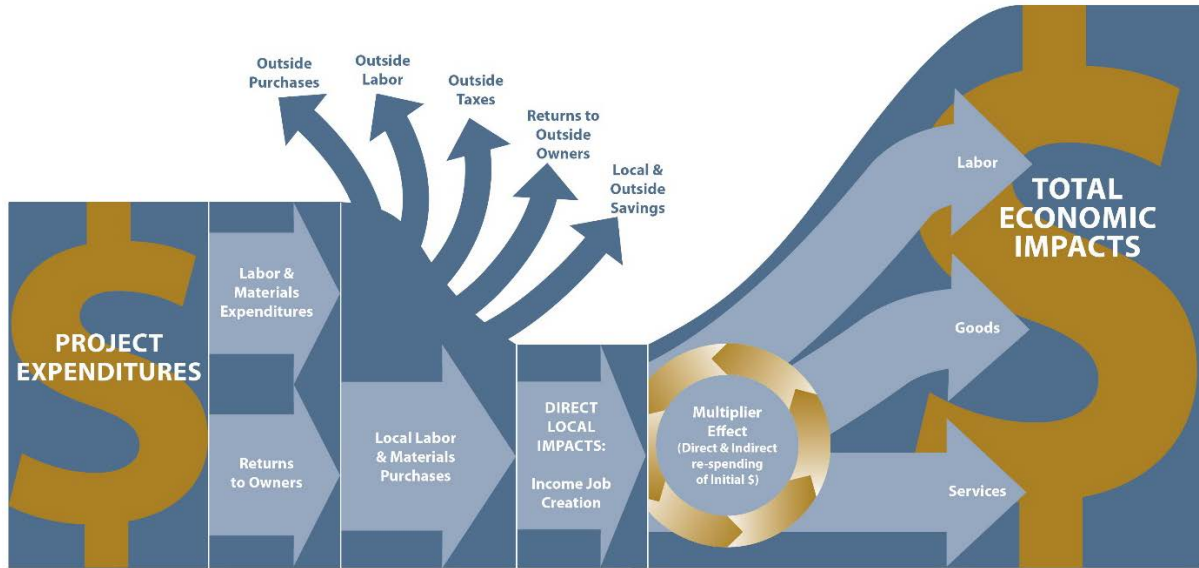
This analysis estimated direct spending and employment among commercial leaseholders and government agencies based on data obtained from, among other sources noted below, prior surveys of leaseholders and government agencies present at airports considered comparable in size (number of leases) or scope (primarily community airports) to the MSB airports profiled in this report. To estimate how indirect and induced spending and employment flow through the economy as a result of this direct spending and employment, this analysis used the IMPLAN™ software package. IMPLAN is most appropriate for estimation of direct (when actual direct employment and income data are not available), indirect, and induced spending and employment for airports with at least modest numbers of leaseholders, businesses, and government agencies, and thus is ideally suited to most of the profiled airports.

Northern Economics first utilized IMPLAN to estimate direct, indirect, and induced employment and spending among airport leaseholders for the March 2009 study entitled *The Economic Contribution of the Aviation Industry to Alaska's Economy*, conducted for ADOT&PF. The purpose of this component of the analysis is to estimate the overall effect of employment and expenditures by each on-site aviation industry represented at the profiled MSB airports. As with the 2009 study, the aviation industry is defined in the current study as all the businesses and organizations located on-site at these airports. These entities, which include the airlines, airport concessions, air freight companies, airline support services, and even government and civic organizations, are collectively referred to in this report as on-airport entities. Not included in the current study's definition of the aviation industry are the other aviation-related businesses that are not located at airports.

Businesses, organizations, and government agencies contribute more to an economy than just their direct employment and expenditures. The direct employment wages and expenditures fuel the economy as a portion of these monies is spent at other businesses in the community, around the state,

and outside the state. The recipients of these expenditures repeat the process until all of the original money has leaked from the local and state economies into outside economies and savings. This process is known as the multiplier effect (see Figure 2) and is measured as the number of times a dollar is re-spent in a community (or a larger economic region) before it leaks out. The cumulative sum of the original jobs and expenditures from the on-airport aviation industry and the indirect and induced jobs and expenditures created by the money flowing through the economy constitute the total economic impacts of the on-airport aviation industry.

**Figure 2. Expenditures Moving through the Economy**



Source: Northern Economics, 2010.

### 3.1.2 Alaska Aviation System Plan Economic Activity Study

The 2011 Northern Economics report, *Economic and Community Contributions of Selected Alaska Airports: 12 Case Studies*, documented the unique economic and social importance of a sample of a dozen Alaskan airports whose characteristics reflect the diversity of geography, size, and scope (international vs. regional hub vs. community airports) of the state’s full population of airports. As part of the 2011 study, which was prepared for ADOT&PF as part of the ongoing Alaska Aviation System Plan, Northern Economics surveyed leaseholders and airport managers at each of the airports regarding their employment and expenditure levels.

The current study used average employment and expenditure data for leaseholders belonging to particular IMPLAN economic sectors to project economic activity for leaseholders at the profiled MSB airports. Data from six of the 2011 study’s airports were excluded, as these airports were considered too large for inclusion in the current study. The remaining airports, whose average employment and expenditure data were used as proxies for the MSB airports, include those in Haines, Iliamna, Hooper Bay, Talkeetna, Wasilla, and Kodiak. Notably, this analysis excluded responses from Alaska Airlines’ Kodiak operations; these data would have skewed estimates in the MSB, where Alaska Airlines does not operate. In addition, the study team gathered employment and expenditure data directly from select commercial and government leaseholders whose employment and output levels are significantly higher than averages from the sample reference airports.

### **3.1.3 ADOT&PF Leaseholder Database and DCCED Business License Database**

ADOT&PF provided Northern Economics with a list of leaseholders for each of the eight profiled MSB airports. The study team cross-referenced this list with the DCCED business license database to determine which of the leaseholders are commercial operations and, for those that are, their NAICS codes. The resulting list of leaseholders comprised the final list of commercial and government operations whose economic impacts this analysis estimated; however, economic activity associated with airport management operations was estimated separately.

### **3.1.4 Interviews (ADOT&PF and Airport Managers)**

Southeast Strategies interviewed managers of each of the profiled MSB airports regarding the extent of on-airport services and commercial operations, as well as trends in demand for hangar and tie-down space and both on-airport services and services utilized at other MSB airports by on-airport leaseholders. The analysis team vetted the list of commercial leaseholders using the managers' responses to questions about the volume and type of on-airport commercial operations. This analysis documents key takeaways from these interviews in Section 4.2.

### **3.1.5 Capital and Operating Expenditures**

IMPLAN estimates of indirect and induced employment and spending are calculated based on direct capital and operating expenditures by leaseholders and government agencies, thus adding significant importance to the accuracy of their estimation. Section 3.1.2 explains how this analysis estimated such expenditures for leaseholders. Operating and maintenance (O&M) expenditures for all of the airports except Palmer and Wasilla reflect average FY 2011-2015 expenditures, escalated to 2015 dollars using the Alaska Consumer Price Index, while comprehensive annual financial reports for The City of Palmer and the City of Wasilla provided O&M expenditures for those airports. Capital expenditures reflect inflation-adjusted airport-specific 10-year averages of funding from the FAA's Airport Improvement Program (AIP). The AIP "provides grants to public agencies—and, in some cases, to private owners and entities—for the planning and development of public-use airports that are included in the National Plan of Integrated Airport Systems" (FAA 2015b), and each of the eight airports considered in this analysis has received AIP funding over the past decade.

## **3.2 Bureau of Transportation Statistics Data**

Another method for measuring economic activity at airports is to analyze the data collected by the Bureau of Transportation Statistics (BTS). Companies with revenues greater than \$20 million are required to report their passenger, freight, and mail volumes to the BTS, while operators with revenues less than \$20 million report their volumes with uncertain frequency. This study analyzed 2014 BTS reports of enplanements from and deplanements to profiled MSB airports, as well as volumes of freight and mail arriving at these airports and being transported to other Alaskan communities by way of them. This technique provides a raw measure of the volumes of people, freight, and mail travelling through the profiled MSB airports and offers another useful, if incomplete, perspective on economic activity related to air transport that is conducted through the airport.

## 4 Economic Contributions of MSB Airports

### 4.1 Direct and Indirect Economic Contributions of On-Airport Activity

MSB airports represent important sources of employment to borough residents and are responsible for substantial economic activity both within the borough and outside the MSB but within the state of Alaska. The study team estimates that in 2014 profiled MSB airports generated 356 direct full-time and part-time jobs, \$13.3 million in direct wages, and a total of \$17.3 million in direct, indirect, and induced output within Alaska.

#### 4.1.1 Employment and Expenditures by Airport Leaseholders and Airport Management and Operations

This analysis estimates that MSB airport leaseholders and government entities provided approximately 428 direct jobs to the community in 2014 (see Table 6). Of this total, 60 percent (257 out of 428) were full-time, and 93 percent (400 out of 428) were leaseholder employees, rather than contract employees. These jobs paid an estimated \$19.2 million in wages and benefits to job holders in 2014, with the vast majority of compensation paid to leaseholder employees. Of total MSB airport employment and compensation, municipal and federal employment accounted for an estimated 48 full-time employment positions and \$3.7 million in compensation.

**Table 6. Jobs and Wages Provided by Leaseholders and Non-Leaseholder Government Entities at Profiled MSB Airports, 2014**

| Category              | Full-Time  | Part-Time  | Total      | 2014 Wages (\$ Millions) |
|-----------------------|------------|------------|------------|--------------------------|
| Leaseholder Employees | 250        | 150        | 400        | 18.6                     |
| Contract Employees    | 7          | 21         | 28         | 0.6                      |
| <b>All Employees</b>  | <b>257</b> | <b>171</b> | <b>428</b> | <b>19.2</b>              |

Note: Direct employment associated with capital expenditures of AIP funds was estimated in terms of full-time employees using IMPLAN multipliers. As a result, the number of full-time employees may be over-stated by a small margin and the number of part-time employees may be understated.

Columns and rows may not sum to totals due to rounding.

Source: Northern Economics, Inc., 2015.

As with all leaseholders, MSB airport leaseholders also contribute to the local, state, and national economies through capital and operating expenditures.<sup>3</sup> The study estimates that leaseholders and municipal and federal entities at profiled MSB airports contributed \$13.7 million to the local, state, and national economies directly in 2014 (see Table 7). Of this total, approximately \$11.8 million went into Alaska's economy, with nearly \$9 million spent in the MSB economy. Combined direct capital and operating expenditures outside the state economy were just under \$2 million.

<sup>3</sup> Capital expenditures represent long-term investments in equipment and infrastructure. In this case, operating expenditures are all other non-wage and benefit expenditures required for day-to-day operations.



**Table 7. Geographic Distribution of Leaseholder Direct Capital & Operating Expenditures at Profiled MSB Airports, 2014**

| Category               | In-MSB       | Other Alaska | Total Alaska | Outside Alaska | Total       |
|------------------------|--------------|--------------|--------------|----------------|-------------|
|                        | (\$Millions) |              |              |                |             |
| Capital Expenditures   | 2.9          | 1.3          | 4.2          | 0.1            | 4.3         |
| Operating Expenditures | 5.9          | 1.8          | 7.6          | 1.7            | 9.4         |
| <b>Total</b>           | <b>8.8</b>   | <b>3.0</b>   | <b>11.8</b>  | <b>1.9</b>     | <b>13.7</b> |

Columns may not sum to totals due to rounding.

Source: Northern Economics, Inc., 2015.

#### 4.1.2 Estimates of Total On-Airport Related Employment and Expenditures

The direct employment and expenditures described above are fuel for the local, state, and national economies. The wages and expenditures cycle through the economy as workers spend their wages and businesses and government entities buy goods and services from off-airport businesses. The current study estimates that there are roughly 380 direct, indirect, and induced in-state jobs related to operations at the profiled MSB airports. Further, these operations generated in-state labor income of \$21.2 million, contributing to total statewide economic output of over \$17 million in 2014 (see Table 8).

The current study also estimates the portion of direct, indirect, and induced jobs, wages, and output generated by the profiled MSB airports within the borough. Notably, the vast majority of jobs are estimated to be held by MSB residents. Likewise, this analysis projects that the preponderance of income associated with these jobs is paid to MSB residents. However, of the roughly \$17.5 million in direct, indirect, and induced economic output generated by the eight airports in 2014, this analysis estimated a more balanced split of in-borough and ex-borough expenditures of \$12.2 million and \$5.3 million, respectively.

**Table 8. Profiled MSB Airports' Direct, Indirect, and Induced In-State Economic Effects, 2014**

| Category                     | Number of Jobs |              | Labor Income |              | Output      |              |
|------------------------------|----------------|--------------|--------------|--------------|-------------|--------------|
|                              | In-MSB         | Other Alaska | (\$Millions) |              |             |              |
|                              |                |              | In-MSB       | Other Alaska | In-MSB      | Other Alaska |
| Airport Operations           | 10             | 0            | 0.6          | 0.3          | 2.7         | 2.3          |
| Leaseholders                 | 360            | 10           | 19.9         | 0.5          | 9.6         | 3.0          |
| Subtotals                    | 370            | 10           | 20.4         | 0.8          | 12.2        | 5.3          |
| <b>Total In-State Effect</b> | <b>380</b>     |              | <b>21.2</b>  |              | <b>17.5</b> |              |

Note: This table presents jobs in terms of full-time positions, while Table 6 disaggregates employment totals into full-time and part-time positions. Indirect and induced employment figures have been rounded to the nearest ten jobs to reflect statistical uncertainty of modeling estimates. Job subtotals and totals also have been rounded to the nearest ten jobs.

Source: Northern Economics, Inc. and IMPLAN, 2015.

## 4.2 Trends in MSB Aviation

As noted in Section 3.1.4, the analysis team conducted extensive interviews with MSB airport managers to gain an anecdotal and more complete understanding of the level of economic activity at each MSB public-use airport. Among the key takeaways from those interviews are the following:

- Substantial diversity in the size and scope of services offered across profiled public-use airports primarily reflects the variable characteristics of the communities and regions they serve. Individual airport profiles presented in Section 2 attest to this diversity.
- Demand for aviation opportunities and associated support services generally is increasing in the borough and appears correlated with continued population growth. However, the growth in demand is inconsistent across the eight airports and is most pronounced at Talkeetna, Willow, Big Lake, Palmer, and Wasilla.
- Aviation in the MSB is generally expanding as a byproduct of population growth, but some managers of profiled airports lack adequate time to focus on commercial growth at their respective airports. This is not the case, however, across the entire sample of profiled airports: The City of Palmer employs a full-time manager at the Municipal Airport, and The City of Wasilla's Public Works Director oversees Wasilla Airport's operations.
- The majority of aircraft owners who keep their planes at profiled MSB airports utilize fuel and aircraft maintenance services within the borough. Businesses located at MSB airports benefit from a lease rate structure that is advantageous relative to that in the Municipality of Anchorage. Thus, fuel and maintenance services may be obtained less expensively within the borough than at Merrill Field Airport in Anchorage.
- Many pilots who reside and keep their planes in rural locations outside the MSB come to airports within the borough for fuel and maintenance services.

## 4.3 BTS Data

Northern Economics obtained data regarding passenger, freight, and mail volumes originating from and arriving at profiled MSB airports from a variety of aviation datasets available from the BTS. The study uses the "Air Carriers: T100 Domestic Markets - All Carriers" dataset which shows only passengers, mail, and cargo that enplaned or deplaned at a given airport. The BTS data have proved a valuable resource in past economic activity analyses because they are the most powerful tool for showing movements between airports. However, only larger certificated carriers report into the system, while general aviation flights and small air taxi operators generally do not.

The BTS data reveal that only three of the profiled airports—Skwentna, Palmer, and Wasilla—had any significant reported movements of passengers, mail, and freight in 2014 (see Table 9).<sup>4</sup> As previously noted, Skwentna is not on the current road system and is only reachable by air or off-road travel in the winter. In 2014, the airport received 65 passengers on certificated air carrier and returned 51 passengers to the road system. Similarly, the community received nearly 26,000 pounds of freight and shipped back 4,000 pounds, while receiving close to 11,000 pounds of mail. All of this movement took place between Skwentna and Merrill Field in Anchorage and not between Skwentna and other MSB airports. Activity between Skwentna and other MSB airports that occurred on a general aviation level was not recorded in the BTS data. RAVN Alaska's operations in Palmer generated a smaller number of passengers and some freight moving between Palmer and Bethel, Aniak, Kotzebue, McGrath, St. Mary's,

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<sup>4</sup> Talkneeta reported one flight of three people to and from Fairbanks in 2014.

and Nome. In all likelihood, RAVN Alaska opportunistically used the repositioning of aircraft returning to service in western Alaska from their maintenance operations in Palmer and loaded these aircraft with passengers and freight. Finally, BTS data show levels of passenger arrivals to and departures from Wasilla Airport in 2014.

**Table 9. BTS Passenger, Mail, and Freight Data, 2014**

| Airport         | As Origin            |              |           | As Destination       |               |               |
|-----------------|----------------------|--------------|-----------|----------------------|---------------|---------------|
|                 | Number of Passengers | Freight (lb) | Mail (lb) | Number of Passengers | Freight (lb)  | Mail (lb)     |
| Big Lake        | –                    | –            | –         | –                    | –             | –             |
| Lake Louise     | –                    | –            | –         | –                    | –             | –             |
| <b>Skwentna</b> | <b>51</b>            | <b>4,108</b> | <b>0</b>  | <b>65</b>            | <b>25,633</b> | <b>10,950</b> |
| Willow          | –                    | –            | –         | –                    | –             | –             |
| <b>Palmer</b>   | <b>0</b>             | <b>1,700</b> | <b>0</b>  | <b>2</b>             | <b>4,277</b>  | <b>0</b>      |
| Talkeetna       | –                    | –            | –         | –                    | –             | –             |
| Goose Bay       | –                    | –            | –         | –                    | –             | –             |
| <b>Wasilla</b>  | <b>35</b>            | –            | –         | <b>28</b>            | –             | –             |

Source: Bureau of Transportation Statistics, 2015.

The absence of BTS data in this case is an important indicator of the nature of aviation activity most common to the profiled MSB airports. While MSB airports provide significant support to general aviation enthusiasts and air taxi operators, the majority of these airports are not integrated into the broader movement of people, freight, and mail in the same way as Merrill Field in Anchorage or regional and community airports in more remote communities. With the exception of Palmer, the profiled airports are operating in a sub-system that is separate from the larger system of community-based airports which provide services that are essential to the continued operation of the communities that they serve.

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# City of Homer

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## Memorandum 21-191

TO: Mayor Castner and Homer City Council  
 FROM: Rob Dumouchel, City Manager  
 DATE: October 25, 2021  
 SUBJECT: Additional Information for Ordinance 21-63

### Legislative History

Quite a few actions have been taken by past Councils related to the natural gas line, the table below provides a brief overview of relevant ordinances. The ordinance numbers are hyperlinked to more information related to each ordinance on the City's website.

| Ordinance #                 | Ordinance Name   | Fiscal Notes   |
|-----------------------------|--|--|
| <a href="#">12-46</a>       | An Ordinance of the City Council of Homer, Alaska, Appropriating Funds in the Amount of <b>\$50,165</b> from the General Fund Balance to Carry Out the Requirements of Homer City Code Title 17 Entitled Improvement Districts and to Implement a Public Information Strategy Related to the Proposed Natural Gas Special Assessment District. City Manager.   | \$50,165 from General Fund   |
| <a href="#">13-01(A)(S)</a> | An Ordinance of the Homer City Council Amending HCC 17.04.190 to Provide for Deferral of Special Assessments for Low Income Residents. Burgess.  | Approximately 6 parcels deferred at this time (OCT21)                                      |
| <a href="#">13-03(S)(2)</a> | An Ordinance of the City Council of Homer, Alaska, Authorizing the City to Issue a Natural Gas Distribution Special Assessment Bond in the Principal Amount of Not to Exceed <b>\$12,700,000</b> to Finance the Design and Construction of Natural Gas Distribution Improvements in the City, Fixing Certain Details of Such Bond and Authorizing Its Sale; and Repealing HCC Chapter 17.08. City Manager. | Allowed the City to borrow up to \$12,700,000  |
| <a href="#">13-09</a>       | An Ordinance of the City Council of Homer, Alaska, Appropriating Funds and Establishing a Project Budget for Administration and Direct Services Provided in Support of the Homer Natural Gas Distribution System Special Assessment District. City Manager.  | Set \$539,368 budget for administrative and direct services to the SAD                     |
| <a href="#">13-19(A)(S)</a> | An Ordinance of the City Council of Homer, Alaska, Amending the 2013 Operating Budget to Provide for Natural Gas Conversions to City Buildings by Appropriating <b>\$224,780</b> from Various City Reserve Funds. City Manager/Public Works Director.  | \$148,319 from general reserves (what would be CARMA today); \$48,461 from Sewer Reserves; |

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|                          |   | \$28,000 from Water Reserves   |
| <a href="#">14-07</a>    | An Ordinance of the City Council of Homer, Alaska, Amending the 2014 Operating Budget by Appropriating <b>\$34,089</b> from the Airport Reserve Fund for the Replacement of the Boilers at the Airport Terminal and Authorizing the City Manager to Execute All Appropriate Documents. City Manager/Public Works Director.                                  | \$34,089 to support conversion of the Airport to natural gas   |
| <a href="#">14-22(A)</a> | An Ordinance of the City Council of Homer, Alaska Amending the FY 2014 Operating Budget to Provide for Natural Gas Conversions to City Buildings by Appropriating <b>\$83,270</b> from Various City Reserve Funds. City Manager/Public Works Director.  | \$18,562 from Water Reserves; \$64,708 from Harbor Reserves;   |
| <a href="#">15-11</a>    | An Ordinance of the City Council of Homer, Alaska, Amending Homer City Code Section 17.04.100, Subdivision After Levy of Assessments, to Provide for Subdivisions of Property Subject to Natural Gas Distribution Assessments. City Manager.  |  |
| <a href="#">15-17(S)</a> | An Ordinance of the City Council of Homer, Alaska, Amending Ordinance 13-03(S)(2) to Permit the City to Prepay Principal of the Natural Gas Distribution Special Assessment Bond Authorized by Ordinance 13-02(S)(2), and Authorizing an Amendment to the Loan Agreement Between the City and the Kenai Peninsula Borough Regarding the Bond. City Manager. | Added language allowing pre-payment of principal   |
| <a href="#">15-21</a>    | An Ordinance of the City Council of Homer, Alaska, Amending the FY 2015 Operating Budget by Appropriating <b>\$277,335.45</b> to Pay for Homer Natural Gas Special Assessment District Assessments of 85 City Lots From Various City Reserve Funds. City Manager.   | \$3,262.77 from Animal Shelter Reserve; \$3,262.77 from City Hall Reserve; \$32,627.70 from General Fund Reserve; \$13,051.08 from Library Reserve; \$6,525.54 from Park Reserve; \$1,631.39 from Police Reserve; \$1,631.39 from Fire Reserve; \$6,525.54 from Public Works Reserve; \$202,291.74 from Harbor Reserve |
| <a href="#">15-27</a>    | An Ordinance of the City Council of Homer, Alaska, Providing a Procedure for the Council to Consider Whether to Exclude Certain Properties From the Homer Natural Gas Distribution Special Assessment District. Burgess.  |  |
| <a href="#">15-38</a>    | An Ordinance of the Homer City Council Amending the FY 2015 Operating Budget by Appropriating <b>\$42,500</b> From the Homer Natural Gas Special Assessment District Account for Settlement Costs in the Castner vs. City of Homer Court Case Challenging Assessments for Condominiums Within the District. City Manager.                                   | \$42,500 lawsuit settlement  |
| <a href="#">16-03(S)</a> | An Ordinance of the City Council of Homer, Alaska Amending Ordinance 13-03(S)(2) to State the Actual Principal Amount of, and Change the Payment Dates for, the Natural Gas Distribution Special  | Adjusts bond amount to \$12,359,388  |

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|                          | Assessment Bond Authorized by Ordinance 13-02, and Authorizing an Amendment to the Loan Agreement Between the City and the Kenai Peninsula Borough Regarding the Bond. City Manager.  |  |
| <a href="#">16-43</a>    | An Ordinance of the City Council of Homer, Alaska, Amending Ordinance 13-03(S)(2) to Change the Terms for Adjusting the Amortization of Principal of the Natural Gas Distribution Special Assessment Bond Authorized by Ordinance 13-02, and Authorizing an Amendment to the Loan Agreement Between the City and the Kenai Peninsula Borough Regarding the Bond. City Manager.  | Provides for the creation of a Natural Gas Distribution Special Assessment Bond Sinking Fund |
| <a href="#">16-44(A)</a> | An Ordinance of the City Council of Homer, Alaska, Amending Homer City Code 17.04.190, Entitled “Deferment of Assessment Payments for Low Income Residents,” by Permitting Assessment Deferral Applicants to Apply for a Deferral in Any Year an Applicant is Eligible for the Deferral Regardless of Whether or Not the Applicant Applied for Deferral in the Initial Year of Assessment. City Manager.  | Approximately 6 parcels deferred at this time (OCT21)  |
| <a href="#">17-15</a>    | An Ordinance of the City Council of Homer, Alaska, Updating and Clarifying the Implementation of a Penalty and Interest Structure for Special Assessments in the Homer Natural Gas Distribution Special Assessment District That Became Delinquent on or After July 1, 2016, and Provided Terms for Reinstatement on or After July 1, 2016 of Assessments That Became Delinquent Before That Date, and the Policies and Procedures for Waiving Penalties on Delinquent Special Assessment Payments if They Meet Certain Requirements, and Creating an Appeal Process for Waiver Denials to the Board of Adjustment. Aderhold. | Clarifies penalties  |
| <a href="#">19-56</a>    | An Ordinance of the City Council of Homer, Alaska Moving Expenditures in the Amount of <b>\$92,852.24</b> Previously Allocated from the General Fund Operating Fund to now be Allocated from the Natural Gas Line Capital Project Fund for Legal and Travel Related Expenses Associated with ENSTAR Tariff Filing 310-4. Mayor.   | \$92,852.24 from Gas Line Fund   |
| <a href="#">21-13</a>    | An Ordinance of the City Council of Homer, Alaska Appropriating an Amount not to Exceed <b>\$2,512,000</b> from the Natural Gas Distribution Special Assessment Bond Sinking Fund to Retire the Debt to the Kenai Peninsula Borough that was Utilized for the Construction of the Homer Natural Gas Distribution Line. Mayor/City Manager.  | \$2,512,000 to pay off bond  |

### Natural Gas Distribution Special Assessment District Closeout

Those properties in the District have until September 1, 2024 to pay off their assessments. Approximately 1,043 of 3,788 parcels still owe money to the City (approximately \$1,288,894 of the original \$12,359,388). Staff expects to keep the fund open well beyond September 2024 as late payments and deferrals will continue to come in to the City. Ordinance 21-63, proposed by the Mayor, doesn’t close the gas line fund. It does however create a mechanism to ensure that we are revisiting this account annually to ensure that the City does not build up a balance within the account that is not put to a generally beneficial use.