



City of Homer

www.cityofhomer-ak.gov

Office of the City Clerk

491 East Pioneer Avenue

Homer, Alaska 99603

clerk@cityofhomer-ak.gov

(p) 907-235-3130

(f) 907-235-3143

Agenda Changes/Supplemental Packet

TO: MAYOR LORD AND CITY COUNCIL
FROM: RENEE KRAUSE, MMC, CITY CLERK
DATE: JULY 28, 2025
SUBJECT: SUPPLEMENTAL

CONSENT AGENDA

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

Public Comment received.

page 3

- n. Resolution 25-070, A Resolution of the City Council of Homer, Alaska, Directing the Planning Commission to Review and Recommend Amendments to Homer City Code to Allow Temporary Structures for Retail Purposes on Vacant Lots in the CBD. Davis.

Memorandum CC-25-196 from Councilmember Davis as backup.

See laydown

REGULAR MEETING AGENDA

PUBLIC HEARINGS

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

Public Comment received.

page 4

CITY MANAGER’S REPORT

- a. City Manager’s Report
 - 1. Memorandum from Special Projects & Communications Coordinator re: Update on Grant and Appropriation Requests **page 5**
 - 2. Memorandum from Port Property Associate re: Status Report on City Leases **page 8**
- b. FY25 Year End Report – Preliminary

General Fund Expenditure Report Actuals Through June 2025 **page 9**

COMMENTS OF THE AUDIENCE

Public Comment Received re: Homer Harbor Expansion Feasibility Study **page 12**

From: [Dave And Lyn](#)
To: [Department Clerk](#)
Subject: funding for recv center.
Date: Friday, July 25, 2025 4:43:05 PM

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

Dear Council Members,

You are looking for ways to fund the Rec. Center and the sales tax is one way if the voters approve.

A second way is to hold an advisory vote on a bed tax that could then be presented to the KPB assembly if voters were to approve it.

A third way again is voting on a recreational service area that could also include all that the school district is ending.

It is time to pull out all the stops cause times are a changing.

Thank You,

Dave Lewis



July 27, 2025

Greetings, Homer City Council,

I work with the programs shown at the top of the page, and I see that on tonight's agenda, the Council will consider Ordinance 25-44:

An ordinance of the City Council of Homer, Alaska, appropriating up to \$250,000 from the Homer Accelerated Roads and Trails (HART) fund for the development of a trailhead and trail segment on the east side of the Sterling Highway at Green Timbers in accordance with the Diamond Creek Recreation Area (DCRA) trails plan.

I want to add my voice to the many many others who recognize the generational opportunity we have right now to improve and connect trails into the city's Diamond Creek Recreation Area while also working towards connecting those trails to State Park's Diamond Creek State Recreation Site further north and across the Sterling Highway. This appropriation from the HART fund is essential.

Yes, the proposed trailhead and trail segment will provide better public access into DCRA trails. But of equal importance in the long term, it will dramatically demonstrate to the Alaska Department of Transportation and Public Facilities that the city irrefutably supports the community's decades-long and ongoing efforts to connect trail systems on both sides of the Sterling Highway—for pedestrians, bicyclists, wheelchair users, all types of trail users. The goal is to connect trails via a proposed pedestrian underpass under the Sterling Highway. The Green Timbers trailhead and trail segment represents critical and meaningful proof of the city's support. This underpass would also address the increasingly dangerous challenge of crossing the highway—crossing will just get more and more dangerous as traffic into Homer increases over the years.

Tonight's ordinance is a critical step towards creating a "destination quality" trail system that crosses the Sterling Highway and serves both locals and visitors. This connected trail system will run from Diamond Creek headwaters by West Hill Road—near the east border of the Home Demonstration Forest—through the state's Demo Forest and the city's DCRA, to and under the Sterling Highway, through borough land on the west side of the highway, then north to State Park's Diamond Creek State Recreation Site (purchased with Exxon Valdez habitat funds many years ago), and finally all the way down the Diamond Gulch bluff to the beach. The connected system will become a tremendous amenity for the whole community, including for the many visitor lodgings already located along the Sterling Highway between Rogers Loop and Diamond Creek Road.

Can you imagine the significance of a trail system like that—a trail that starts at almost 1000 ft in elevation and then parallels 4½ miles of Diamond Creek, passing through spruce forests, fireweed meadows, streamside willows, and then runs down the bluff to the sea.

Please vote to approve Ordinance 25-44!!

Devony Lehner
P.O. Box 356,
Homer, AK 99603



MEMORANDUM

City Manager Report: Update on Grant and Appropriations Requests

Item Type: Informational Memorandum
Prepared For: Mayor and City Council
Date: July 24, 2025
From: Special Projects & Communications Coordinator Carroll
Through: Melissa Jacobsen, City Manager

This is an informational memo to provide an update on Federal and State funding requests submitted or in process in support of City of Homer projects.

- **Non-motorized Transportation Projects**

- FY25 BUILD (formerly RAISE) Grant for Non-motorized Transportation Planning and Design

The City's FY25 grant award for sidewalk planning and design remains unobligated and pending review by the US Department of Transportation for additional approval under the BUILD program's priorities. Advocacy letters for a favorable review of the City's application were sent in March 2025. An inquiry to the US Department of Transportation last week by Senator Murkowski's staff indicated that the Department is still moving through the reviews.

- Transportation Alternatives Program Grant for the Homer All Ages & Abilities Pathway

An update on obligating this grant and legislation for next steps is in your July 28, 2025 Regular meeting packet.

- **FY26 Congressionally Designated Spending and Community Funded Project Requests**

Two of [Representative Begich's fifteen forwarded requests were for Homer](#). They include:

- A-Frame Water Transmission Main Replacement

The [Interior and Environment Appropriations Committee approved their appropriations act](#) and it includes \$937,868 for final design and construction. If approved in the FY26 Federal budget, the City will be required to cover remainder of project's estimated cost of \$1,221,412. However, the project also made it on to the [Intended Use Plan](#) for the State's Clean Drinking Water Revolving Loan Fund (SLRF) for \$1,331,882 with 100% principle forgiveness, so the SLRF is likely be the best funding source to go with, at least initially until design is complete and we get an updated construction cost estimate.

- **Homer Harbor Critical Float System Replacement**

The House Transportation bill included a \$250,000 appropriation to supplement the design/permitting work currently being done with Denali Commission grant funds to lower the City of Homer match. When those funds may be available is hard to know; it has still to be approved in the FY26 Federal budget and routed through the Maritime Administration (MARAD). If finalized, my hope is to have those funds transferred from MARAD to the Denali Commission for administrative streamlining.

Design and permitting work for System 4 is presently underway; design is nearing 35%, long-lead time permitting activities have been initiated and an RFP to take the design and permitting activities to completion is under development.

Staff is actively working with consultants at HDR to put together an FY25 application to the Port Infrastructure Development Program for System 4 construction funding.

All of our appropriation requests to Senator Murkowski were forwarded to Subcommittees for consideration. Her staff reached out to let me know that the request to the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies for Homer Volunteer Fire Department Wildland Urban Interface Equipment Purchase was not selected for inclusion by the subcommittee. The Senator's staff said they will be reaching out to me as the other appropriation subcommittees finalize their selections, they hope by the August recess.

- **Homer Spit Coastal Erosion**

Two potential funding sources for this project have recently been confirmed. The Alaska Department of Transportation and Public Facilities (DOT&PF) announced on July 15 that Amendment #2 to the 2024–2027 Statewide Transportation Improvement Program (STIP) was officially approved by the Federal Highway Administration and Federal Transit Administration. The Sterling Highway Erosion Mitigation project is now an official State project, programmed for \$1M in 2025 and \$500,000 in 2026. We anticipate hearing from DOT&PF as they work to obligate the funds.

Homer Spit Erosion Mitigation and Resiliency (plan and design to reduce erosional impacts of storm events that damage wastewater collection facilities and reduce the intrusion of sea water into the collection system) was recently included in the [Intended Use Plan](#) for the State Clean Water Fund for \$750,000 with \$500,000 in principal forgiveness.

- **Fish Grinding Building**

We've recently completed the final punch list on this reconstruction project which utilized Alaska Division of Fish & Game grant funds, Federal Dingell-Johnson grant funds and Port & Harbor matching funds. The grinder, however, began processing on May 2 in time for the fishing season. Annually, this building grinds over 304,000 pounds of fish carcasses from the fish cleaning table and pumps it to an underwater outfall location in Kachemak Bay adjacent to Homer's Pioneer Dock.





MEMORANDUM

Port Property Associate Report for 07/28/2025 City Council

Item Type: Informational Memorandum
Prepared For: Mayor Lord and Homer City Council
Date: July 17, 2025
From: Mark Bowman, Port Property Associate
Through: Melissa Jacobsen, City Manager

Current Port Property 'Front Burner' Items:

- Preparation for end of Yourkowski Lease (11/30/2025)
- Kenai Aviation Operations, LLC - License to use the Airport terminal building as pass-through to aircraft
- Airport terminal inspection by DOT & FAA 07/15 looking at safety issues and Sublease compliance. There were no significant findings.
- North Pacific / Ravn – termination of Lease by mutual agreement – completed
- OBI / Silver Bay Seafoods – Application for assignment submitted. Partial change in ownership triggered this Lease requirement.
- Alaska ATM Services: Default of License Agreement terminated 2018. ATM removal completed. Unpaid License Fees sent to collections
- Notice of Default sent to one Lessee for unauthorized Sublease
- Attachment: Lease Team responses to questions submitted by Mayor Lord after the 06/23/25 City Council Lease Work Session

Plan of Work:

- Sublease Compliance - Processing Applications
- Michael Yourkowski Lease RFP- 60 days after the Land Allocation Plan has gone out
- Preparing material to assist Tenants and Subtenants in understanding terms of the Leases and Subleases
- Creation of online information and application is in process
- Preparation of Lease amendments to align with City Code edits (September after PHC review)

General Fund
Expenditure Report
Actuals through June 2025
100% Fiscal Year Elapsed

Current Fiscal Analysis

	FY25 ADOPTED BUDGET	FY25 YTD ACTUAL	
		\$	%
<u>Revenues</u>			
Property Taxes	\$ 4,225,672	\$ 5,365,534	127%
Sales and Use Taxes	9,296,032	8,273,381	89%
Permits and Licenses	41,723	47,637	114%
Fines and Forfeitures	8,381	3,102	37%
Use of Money	-	(13,018)	
Intergovernmental	746,338	726,037	97%
Charges for Services	445,762	603,557	135%
Other Revenues	-	104,412	
Airport	202,406	197,280	97%
Operating Transfers	1,568,082	20,710	1%
Total Revenues	\$ 16,534,397	\$ 15,328,631	93%
<u>Expenditures & Transfers</u>			
Administration	\$ 2,201,751	\$ 1,931,921	88%
Clerks/Council	942,104	793,095	84%
Planning	446,281	401,398	90%
Library	1,126,251	1,050,540	93%
Finance	948,850	809,597	85%
Fire	1,973,062	1,712,831	87%
Police	4,416,940	4,502,195	102%
Public Works	3,663,001	3,216,236	88%
Airport	239,580	209,076	87%
City Hall, HERC	190,449	161,689	85%
Non-Departmental	191,000	191,000	100%
Total Operating Expenditures	\$ 16,339,269	\$ 14,979,579	92%
Transfer to Other Funds			
Leave Cash Out	\$ 178,375	\$ -	0%
Other	6,752	-	0%
Total Transfer to Other Funds	\$ 185,128	\$ -	0%
Transfer to CARMA			
General Fund Fleet CARMA	\$ -	\$ -	0%
General Fund CARMA	-	-	0%
Seawall CARMA	10,000	-	0%
Total Transfer to CARMA Funds	\$ 10,000	\$ -	0%
Total Expenditures & Transfers	\$ 16,534,397	\$ 14,979,579	91%
Net Revenues Over (Under) Expenditures w/HART Roads Budget Transfer*	\$ 0	\$ 349,052	
		\$ 1,268,556	

*Based off FY25 YTD Roads Maintenance Operating Expenses (\$919,504)

These numbers are preliminary and are subject change

Water and Sewer Fund
Expenditure Report
Actuals through June 2025
100% Fiscal Year Elapsed

Current Fiscal Analysis

	FY25 ADOPTED BUDGET	FY25 YTD ACTUAL	
		\$	%
<u>Revenues</u>			
Water Fund	\$ 2,494,551	\$ 2,564,074	103%
Sewer Fund	2,213,812	2,070,986	94%
Total Revenues	\$ 4,708,362	\$ 4,635,060	98%
<u>Expenditures & Transfers</u>			
<u>Water</u>			
Administration	\$ 350,977	\$ 348,874	99%
Treatment Plant	726,654	623,479	86%
System Testing	36,000	34,636	96%
Pump Stations	123,793	97,037	78%
Distribution System	393,195	458,643	117%
Reservoir	19,191	10,942	57%
Meters	288,507	64,855	22%
Hydrants	214,868	197,775	92%
<u>Sewer</u>			
Administration	\$ 348,160	\$ 331,535	95%
Plant Operations	938,779	744,786	79%
System Testing	18,000	16,193	90%
Lift Stations	230,206	205,550	89%
Collection System	378,085	332,755	88%
Total Operating Expenditures	\$ 4,066,415	\$ 3,467,061	85%
Transfer to Other Funds			
Leave Cash Out	\$ 12,216	\$ -	0%
GF Admin Fees	-	-	0%
Other	15,597	-	0%
Total Transfer to Other Funds	\$ 27,813	\$ -	0%
Transfers to CARMA			
Water	\$ 325,376		0%
Sewer	288,758		0%
Total Transfer to CARMA Funds	\$ 614,134	\$ -	0%
Total Expenditures & Transfers	\$ 4,708,362	\$ 3,467,061	74%
Net Revenues Over(Under) Expenditures	\$ 0	\$ 1,167,999	

These numbers are preliminary and are subject change

Port and Harbor Fund
Expenditure Report
Actuals through June 2025
100% Fiscal Year Elapsed

Current Fiscal Analysis

	FY25	FY25 YTD	
	ADOPTED BUDGET	ACTUAL	
		\$	%
<u>Revenues</u>			
Administration	\$ 640,736	\$ 827,137	129%
Harbor	4,045,337	4,402,095	109%
Pioneer Dock	302,106	324,204	107%
Fish Dock	578,477	689,409	119%
Deep Water Dock	188,651	272,869	145%
Outfall Line	4,800	4,800	100%
Fish Grinder	7,390	6,670	90%
Load and Launch Ramp	130,000	124,604	96%
Total Revenues	\$ 5,897,497	\$ 6,651,788	113%
<u>Expenditures & Transfers</u>			
Administration	\$ 1,227,954	\$ 1,120,966	91%
Harbor	1,658,848	1,536,952	93%
Pioneer Dock	89,120	94,879	106%
Fish Dock	817,052	663,652	81%
Deep Water Dock	107,656	123,422	115%
Outfall Line	13,500	3,944	29%
Fish Grinder	45,150	19,297	43%
Harbor Maintenance	558,501	540,612	97%
Main Dock Maintenance	54,546	46,308	85%
Deep Water Dock Maintenance	65,046	56,376	87%
Load and Launch Ramp	141,549	129,803	92%
Total Operating Expenditures	\$ 4,778,920	\$ 4,336,212	91%
Transfer to Other Funds			
Leave Cash Out	\$ 49,513	\$ -	0%
GF Admin Fees	-	-	0%
Debt Service	-	-	0%
Other	380,573	-	0%
Total Transfer to Other Funds	\$ 430,086	\$ -	0%
Transfers to Reserves			
Harbor	\$ 688,491	\$ -	0%
Load and Launch Ramp	-	-	0%
Total Transfer to Reserves	\$ 688,491	\$ -	0%
Total Expenditures & Transfers	\$ 5,897,496	\$ 4,336,212	74%
Net Revenues Over(Under) Expenditures	\$ 0	\$ 2,315,576	

These numbers are preliminary and are subject change



Homer City Council and Mayor
City Hall 491 E. Pioneer Avenue
Homer, AK 99603

Subject: Homer Harbor Expansion Feasibility Study

July 28, 2025

The Homer Harbor Expansion Feasibility Study is reaching the Draft Plan Report stage with the report due out to the public in 6 weeks' time. However, we (the KBNERR Community Council's Homer Harbor Expansion Project Committee) are concerned because it seems there's been a lack of transparency in the process and some of the groundwork data hasn't been made readily available as the study has developed. From early on (public meeting at KBC in Sept 2023), the Project Development Team (PDT) told us there would be an economic and cost-benefit analysis conducted and a survey of both the current fleet and the general public that use the harbor. It is our understanding that these documents were to be part of the public process but we haven't seen them and therefore have not been able to comment on them as the study and potential expansion designs developed. We were under the impression the stand-alone website would be a source of all the materials developed in this project but that hasn't fully been the case. There is a summary of the most recent public meeting, held several months ago on March 15, 2025, but no links to the source documents. There has been very little updating to the website since that time. Apparently the project timeline had been extended from the original completion date in June 2026 to 'Q1 2027', but the bulk of that extension is internally delegated to the Corps' formal decision process, from Division to Headquarters to Chief's signature. There was no expansion of the project development process leading to the Draft Plan Report, although in our estimation this is where the additional time would be highly valuable.

The Environmental Stakeholders Work Group (ESWG) was informed that an environmental assessment, as required under NEPA, was being conducted parallel to the Feasibility Study and would be integrated with it once an expansion design (TSP) had been selected. We have actively participated in all the ESWG meetings since its inception. As of the most recent meeting on July 11th, the ecological model had not been completed, nor had an expansion design been selected. It is our understanding that the core of this environmental assessment will be the application of the ecological model to the selected design. The environmental data is what drives the assessment to

either an EA or an EIS. There simply isn't enough time left before the Draft Report is issued to fully conduct either.

Bottom line, we feel there are issues about the lack of availability and access to information in this study. This gives us pause about the transparency of the process, the adequacy of the environmental assessment, and the short timeline allowed for public comment to identify and raise concerns and issues. This is a very large and complex project with a cascade of impacts and consequences to the natural and built environment and asks a great deal of the community in evaluating the details. It appears the subsequent Draft Report revision timeline has been extended from 3 to possibly 6 months (from Dec 2025 to 'Q1 2026'), and that the Final Report is not submitted to the Corps' internal review process until Sept 2026, but there is no further formal opportunity for public comment. While the PDT may feel there has been good public outreach, holding three meetings over the course of what was initially a 3 year but has become a 5 year process falls short in our minds.

We caution you moving forward to fully evaluate this proposed harbor expansion with strong and publically available economic, engineering, and environmental analyses, to expand the public comment period of the Draft Plan Report from 30 to 60 days, and offer a further opportunity once the Draft Report has been finalized but before it enters the Corps' three-level agency decision stage (Sept 2026).

Thank you for taking our comments under consideration.

Sincerely,

Laurie Daniel
Chair, Homer Harbor Expansion Project Committee
KBNERR Community Council