



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

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Agenda Changes/Supplemental Packet

TO: MAYOR LORD AND CITY COUNCIL
FROM: RENEE KRAUSE, MMC, CITY CLERK
DATE: APRIL 14, 2025
SUBJECT: SUPPLEMENTAL

REGULAR MEETING AGENDA

CONSENT AGENDA

- h. Resolution 25-027 A Resolution of the City Council of Homer Alaska, Approving the Assignment of a Ground Lease and Security Agreement between the City and Berth II, Inc., for the Property with a Legal Description of T7S R13W Section 1 Seward Meridian HM0890034 Homer Spit Amended Lot 32, in the Homer Recording District, State of Alaska, also known as Kenai Peninsula Borough Parcel No. 18103432 and Authorizing the City Manager to Negotiate and Execute the Appropriate Documents. City Manager/Port Director. Recommend adoption.

Landscape Plan

page 3

CITY MANAGER'S REPORT

- a. City Manager's Report for April 14, 2025 **page 6**

Resolution 24-124(S) along with corresponding backup. **page 20**

Tourism Industry Working Group Draft Final Report **page 30**

RESOLUTIONS

- a. Resolution 25-026, A Resolution of the City Council of Homer, Alaska, Awarding the Contract for Federal Lobbyist Services to a Firm to be Named in the Amount to be Determined and Authorizing the City Manager to Negotiate and Execute the Appropriate Documents. City Clerk.

Resolution 25-026(S), A Resolution of the City Council of Homer, Alaska, Awarding the Contract for Federal Lobbyist Services to The Ferguson Group of Washington, D.C. in the Annual Amount of \$65,000 and Authorizing the City Manager to Negotiate and Execute the Appropriate Documents. City Clerk. **Page 40**

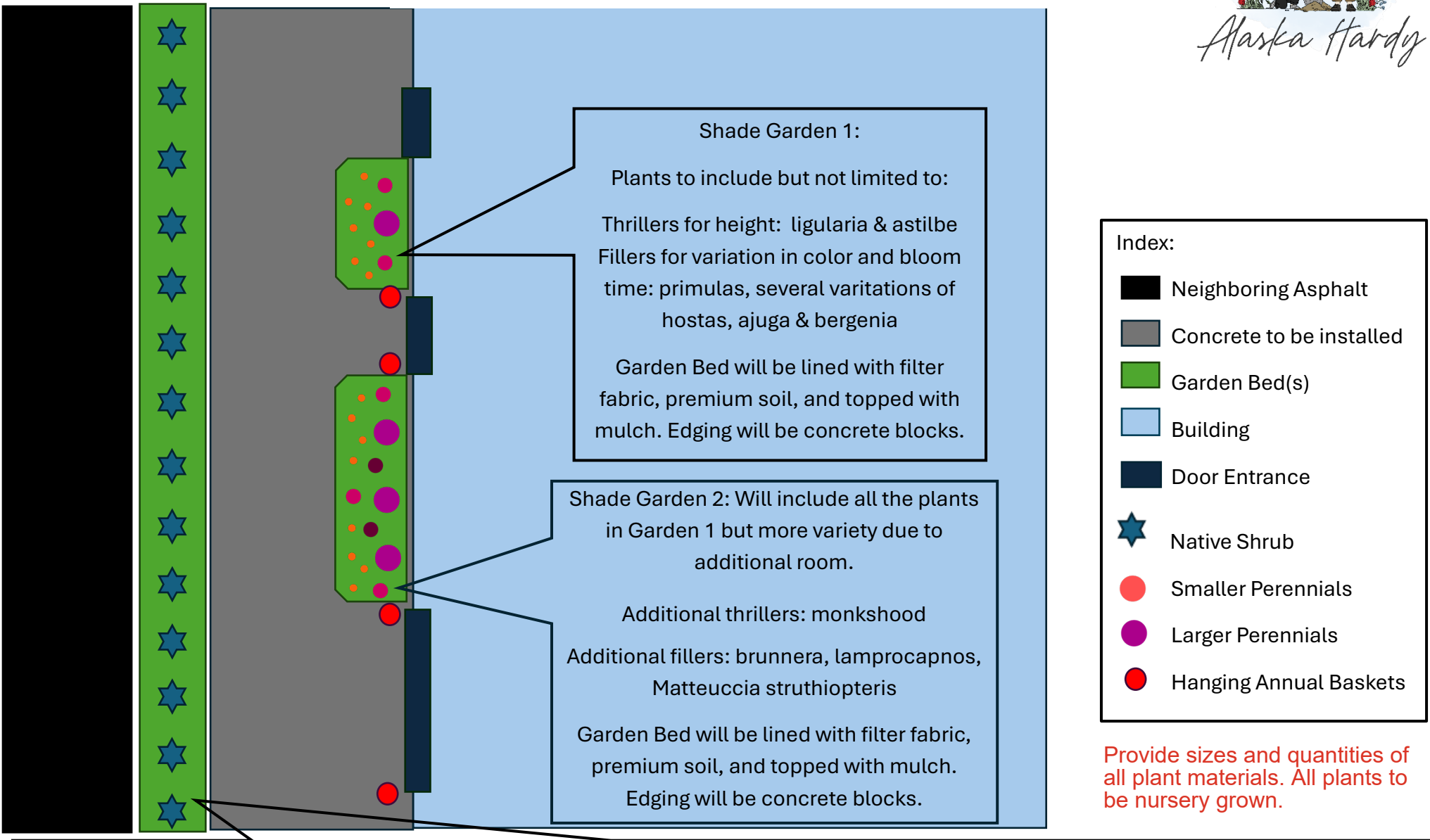
Memorandum CC-25-114 from City Manager as backup. **page 39**

4400 Homer Spit Road Garden Beds Installation

Designed, Installed, and Supplied by: Alaska Hardy Gardens

Raquel DeCoeur 907-235-4969 office@alaskahardy.com

This design plan is for use of Alaska Hardy Gardens, LLC or assigns only.



Provide sizes and quantities of all plant materials. All plants to be nursery grown.

Garden Bed 3: Alaska Native Shrubs to be harvested in collaboration with Homer's Soil & Water Conservation District. Plants will be transplanted fresh for this project. Plants to be installed shall be either: salix barclayi (Barclay's Willow), salix alaxensis (Feltleaf Willow), rosa acicularis (Arctic Rose), or Spiraea stevenii (Alaska Native Spirea). *May be a combination of any four of the above, depending on local availability.

Garden will have standard landscape edging then topped with chipped rock.

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Perennials for Garden Beds 1 & 2



Lamprocapnos



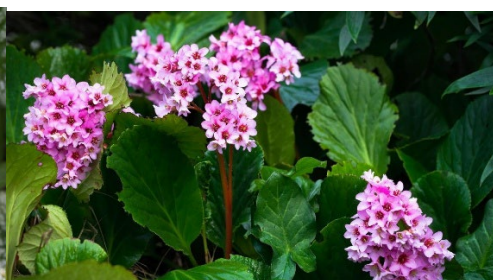
Ligularia



Aconitum



Brunnera



Bergenia



Ajuga



Astilbe



Hosta



Matteuccia struthiopteris

4400 Homer Spit Road Garden Beds Installation

Designed, Installed, and Supplied by: Alaska Hardy Gardens

Raquel DeCoeur 907-235-4969 office@alaskahardy.com

Alaska Native Shrubs for Barrier Strip



Salix barclayi



Regosa acicularis



Salix alaxensis

Willow species soon grow too large for the 3' wide buffer landscaping strip.



Spiraea stevenii

All plant material for the project to be nursery grown.

*Installation will reflect what is available for local harvest at the time of installation. Can be just one type for the entire barrier or a variation of up to all four.



City of Homer

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Office of the City Manager

491 East Pioneer Avenue
Homer, Alaska 99603

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Memorandum

TO: Mayor Lord and Homer City Council
FROM: Melissa Jacobsen, City Manager
DATE: April 10, 2025
SUBJECT: City Manager's Report for April 14, 2025 Council Meeting

MAPP Community Meeting 3/21/25

On March 21st, MAPP held a community meeting to share progress on three locally identified priorities: attainable housing and improved communication on housing, food security, and childcare services. The City is one of many area agencies that comprise MAPP (Mobilizing for Action through Planning and Partnerships), a coalition dedicated to making the Southern Kenai Peninsula a better and healthier place to live. One exciting announcement was the unveiling of the 907 Navigation App, downloadable for free from your preferred app source. It was created by the Alaska Impact Alliance to assist Alaskans in navigating the state's unique landscape of public services, non-profits, and benefits. You can learn more at [907 Navigation App – Alaska Impact Alliance](#) or watch how to use it at <https://youtu.be/XNFUrfxNLXg>. It is very much designed by Alaskans for Alaskans, so users are encouraged to recommend websites of local resources to include.

907 Navigation

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Download the App

Discover the 907 Navigation app – your free guide to look up local resources, navigate complex systems, and check program eligibility in multiple languages!

The 907 Navigation App is managed by the Alaska Impact Alliance and funded by the Alaska Mental Health Trust Authority and the Alaska Children's Justice Act Taskforce.

ALASKA IMPACT ALLIANCE

Funded by

Trust Alaska Mental Health

www.alaskaimpactalliance.com

Comprehensive Plan and Title 21 Updates

The City continues to work closely with our partners at Agnew::Beck on the Comprehensive Plan update as we make progress towards getting feedback incorporated and the Public Hearing Draft ready for prime time. We've also welcomed our other partners at Stantec on board and have begun preliminary work on the Title 21 update. We remain conscious of costs for this contract and are staying on track with the established budget. Please see the attached schedules and stay involved!

Port Property Leasing Update

To enhance management and oversight of leases on City property, the City hired a part-time Port Property Associate, Mark Bowman. The current focus for the Port Property Associate is prioritizing Lease compliance. Standard lease actions (applications, assignments, etc.) continue to be processed, now aided by a new CRM system for improved efficiency. We are actively addressing Sublease compliance issues and reviewing Title 18 and the Base Lease to recommend adjustments to clarify and streamline management. An internal team

meets monthly to guide these efforts, and we look forward to updating the Port & Harbor Advisory Commission and City Council in May and June respectively.

KPB Tourism Industry Task Force

The Kenai Peninsula Borough (KPB) Assembly established a Tourism Industry Task Force that has been meeting regularly since December 2024 to evaluate the balance between positive and negative tourism-related impacts on KPB costs and services. The last meeting of the task force was April 10th, however the group was unable to reach a majority vote on the approval of their recommendations to the Assembly. Some members felt they needed more statistics and information to further develop the final report. There will be a request that the Assembly extend the term of the task force, and if approved, additional meetings will be scheduled. A copy of their current draft final report is attached.

Kachemak Peatlands NOAA Grant

City staff met with Katherine Schake and Willy Dunn, KBNERR, and Marie McCarty, KHLT, to discuss the Kachemak Peatlands grant. This was in response to learning that the KPB, through Aaron Hughes, has expressed interest in selling some of their properties, the Homer 8, being considered in this grant. This is following the adoption of Resolution 24-124(S) that acknowledged we aren't moving forward with the planning and construction of infrastructure at this time due to the high cost of the proposed design. The resolution does confirm the City's interest in continuing to acquire the properties in the peatlands. At the meeting we discussed ways to stay engaged with the KPB, and options for putting together a package to present to the KPB to still acquire properties in the Homer 8 and to negotiate for 2 privately owned parcels.

Diamond Creek Recreation Area Pedestrian Underpass

Staff met with folks from the Homer Trails Alliance (HTA) and Councilmembers Parsons and Aderhold for updates and conversation about the work being done towards a pedestrian underpass as part of the Alaska Department of Transportation and Public Facilities (AKDOT&PF) Sterling Highway rehabilitation project. The HTA has contracted with Happy Trails Consultants to develop a new proposal that provides a more direct path than what was originally developed in the City's contract with Kinney Engineering and Happy Trails. The new proposal uses a maintenance road that will be developed in the right-of-way as part of this project. The next step will be to engage with AKDOT&PF to get their support for using a portion of their right-of-way.

City Manager Meetings and Events:

- March 25th – met with citizen re: HVFD
- March 25-April 9 – Lobbyist RFP Review Committee meetings and proposer interviews
- April 2nd – S3 Workshield zoom meeting
- April 4th – J&H Consulting Lobbyist check-in
- April 9th – met with KBNERR, KHLT, and staff re: Kachemak Peatlands NOAA Grant check in
- April 10th – met with Homer Trails Alliance, Councilmembers Parson & Aderhold, and Staff re: Diamond Creek Recreation Area Pedestrian Underpass and KPB Tourism Working Group zoom meeting
- Completed AML Learning Hub Asset Management 101
- Ongoing weekly meetings with Departments, Mayor and Councilmembers, and City Attorney

Attachments:

- April Employee Anniversaries
- Memorandum re: Update on Federal Funding Changes
- Homer Comprehensive Plan Schedule
- Homer Title 21 Update Project Overview
- Cook Inlet Citizen Regional Advisory Council Report
- Small Business Development Center Quarterly Report



MEMORANDUM

Employee Anniversaries for April

Item Type: Informational Memorandum
Prepared For: Mayor Lord and City Council
Date: April 14, 2025
From: Andrea Browning, Personnel Director
Through: Melissa Jacobsen, City Manager

I would like to take the time to thank the following employees for the dedication, commitment and service they have provided the City and taxpayers of Homer over the years.

Joe Young	Public Works	18	Years
Rick Pitta	Police	16	Years
Jean Arno	Public Works	11	Years
Jaclyn Arndt	Fire	9	Years
Dave Berry	Library	6	Years
Ricky Borland	Port	6	Years
Aaron Yeaton	Public Works	6	Years
Will Kern	Public Works	4	Years
Hunter Dixon	PW	1	Year
Derek Haws	Fire	1	Year
Chelsea Marsh	Fire	1	Year



MEMORANDUM

Update on Federal Funding Changes

Item Type: Informational Memorandum
Prepared For: Mayor and City Council
Date: April 8, 2025
From: Jenny Carroll, Special Projects & Communications Coordinator
Through: Melissa Jacobsen, City Manager

Update on Federal Funding Changes

- **FY25 Federal Appropriation Request for A-Frame Water Transmission Main Project**

In March, Congress passed a Continuing Resolution (CR) to keep the Federal government funded through September 2025. The CR excluded all Congressionally Directed Spending (CDS aka earmarks), which means that none of the projects that Senator Murkowski advanced in the Senate bills were ultimately enacted. Funding approved by the Appropriations Committee for the City's A-Frame Water Transmission Main Replacement project was not included in the final measure.

While disappointing, we knew this outcome was a distinct possibility as the Federal FY25 budget process unfolded – which is why staff resubmitted the project request for the FY26 review process. At this time, no formal timelines have been announced by the Appropriations Committee. The Senator's office said that all FY26 CDS requests will be reviewed as part of a fresh evaluation process, alongside new submissions. Prior inclusion in FY25 bills does not guarantee selection in this year's process.

- **Building Code BRIC Grant**

Due to the recently announced decision on April 4, 2025, by the Department of Homeland Security (DHS), the FEMA Building Resilient Infrastructure & Community (BRIC) Program has been shuttered and will no longer exist in its current form. As per the DHS/FEMA guidance all projects not yet awarded from FY2020, 2021, 2022 & 2023 will not be awarded.

Unfortunately, this includes the City of Homer BRIC award for developing building codes, as well as many other projects across Alaska. The State of Alaska Division of Homeland Security and Emergency Management tells us that at this time there is no appeal process to save projects that have not yet been awarded. If there is a change in policy, or the creation of a new program that provides opportunities such as the ones in BRIC we will be notified. At this time, they have no further guidance on if a program like this will return in the future.

- **Raw Water Transmission Main Replacement Hazard Mitigation Funding**

No impact. All Hazard Mitigation Grant Program (Disaster-funded) projects nationally will continue. The project is ready to go out to bid as soon as FEMA finishes a review of and approves the bid package, which the City submitted on March 25, 2025.

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

In response to the U.S. Department of Transportation's Directive to review all unobligated FHWA grants made in FY 2022 – FY 2025, staff worked with the Mayor to compose advocacy letters on behalf of the City's application.

On March 27, 2025, letters advocating for a renegotiated grant award were distributed to:

Senator Dan Sullivan and staff, Nick Alexander and Elaina Spraker
Senator Lisa Murkowski and staff, Tanya Lautaret, Dana Herndon and Logan Basner
George Mantis, Chief of the BUILD (formerly RAISE) Grant Program
Sean Duffy, Secretary US Department of Transportation
Steven Bradbury, Deputy Secretary US Department of Transportation

In response, Senator Sullivan's staff asked that the City complete a form his office had prepared to explain how the project benefits Alaska in alignment with Executive Order 14153. The Senator is collecting this information from affected grant recipients across Alaska to work on their behalf. Staff completed and submitted the form, and in coordination with the Mayor, composed letters to follow-up our renegotiation request in light of the current directive. These letters were distributed to the same recipient list as above, as well as Representative Nick Begich and his staff.

- **FY26 Community Project Funding (CPF) Request to Senator Nick Begich**

The House Appropriations Committee finalized CPF guidance for FY26 CPF (appropriations) requests and will open its electronic portal on April 14 where each member of the US House of Representatives has the opportunity to nominate up to 15 projects.

On April 2, 2025 staff submitted four CPF requests to the Representative, matching the CDS requests submitted to Senator Murkowski: (1) Homer Harbor Float Replacement Design & Permitting funds; (2) Funds to reauthorize US Army Corps of Engineers' work on the Homer Spit Revetment General Investigation; (3) A-Frame Water Transmission Line Replacement; and (4) Brush Attack Unit and Wildland-Urban Pumper Truck for Wildland-Urban Interface Fire Protection.

- **FY24 PIDP Float System Replacement Grant & FY25 PIDP Application Preparation**

City staff recently met with the Maritime Administration (MARAD) to discuss our unsuccessful FY24 Port Infrastructure Development Program (PIDP) grant application for replacing Harbor Float Systems 4 and 1. Despite not being selected, we received encouraging feedback on our application's strengths and areas for improvement.

Application Performance

MARAD's review process is two-tiered. Tier 1 consists of initial eligibility and rating of merit criteria, some of which is statutory (written into law for the grant program) and some of which is discretionary (reflecting administrative priorities). Our application successfully passed the initial Tier 1 eligibility and technical review. The application additionally:

- Advanced through Tier 2 technical evaluation by subject matter experts
- Reached final discretionary consideration at the Secretary of Transportation's level
- Was not among the 31 projects ultimately selected for funding.

Key Feedback

The primary reason our application wasn't funded was risk assessment. Our project cost was identified as being on the high end of typical PIDP awards and no environmental had been completed which led to schedule risk.

Recommendations for Future Applications

The MARAD reviewer suggested dividing the project into smaller phases to reduce the total project cost. Phases could be funded across multiple PIDP or RAISE grant cycles.

Positive Outlook

The reviewer expressed optimism about our prospects in future grant rounds, noting that:

- The application scored well on statutory requirements
- The project aligns with current Administrative priorities
- We have a strong foundation for an FY25 application.

FY25 PIDP Application

The FY2025 PIDP Notice of Funding is posted, but has not yet been updated to reflect current administrative priorities. The statutory merit criteria will remain the same, and the previous discretionary merit criteria will be removed. We do not yet know what, if any, new criteria or rating structure will be part of the new grant instructions, or if there will be a meaningful extension of the April 30 grant deadline. Staff is beginning to work with consulting firm HDR to evaluate our position and whether to prepare a FY25 PIDP application. If we do, we plan to implement the reviewer's advice by focusing on a phased approach, prioritizing one float system to replace first based on statutory merit criteria, and a Resolution of support for the City's FY25 application would be presented to Council in the very near future.



Homer Comprehensive Plan Update

Working Schedule to Finalize and Adopt the Plan

April 9, 2025

- **April 29th, 2025:** Conduct Planning Commission Work Session to share summary of public comments, proposed revisions, and discuss outstanding questions/changes.
- **Week of June 9th, 2025 (exact date TBD)** – Conduct Joint Work Session with Planning Commission and City Council to share and discuss Public Hearing Draft and confirm process for public release.
- **Week of June 16th, 2025 (exact date TBD)** – Post the Public Hearing Draft to the project website and conduct related outreach including email updates and communications with City Boards, Committees, and Commissions on Public Hearing Draft availability and adoption process with key dates.
- **July 16th, 2025:** Adoption process initiated with public hearing at Planning Commission regular meeting.
- **August 2025 (exact date TBD):** Aim to complete City Council adoption.
- **September 2025 (exact date TBD):** Plan goes to Borough Assembly for review and adoption.

City of Homer Title 21 Update

Project Overview

Updated April 2025

Project Purpose

The City of Homer is revising its zoning policies, found in [Title 21 of the City Code](#). Zoning code governs how land in a municipality is used and establishes rules on how properties function. Zoning is a tool to achieve the intent and future land use goals set by the comprehensive plan. A well-written code provides the Planning Commission and staff with tools to effectively regulate development, protect and enhance the community, and clearly communicate development processes and requirements to applicants, such as residents, builders, developers, and businesses.



Project Goals



Streamline development processes and increase predictability



Increase code clarity and flexibility



Better align the code with community plans



Consider natural hazards and preserve natural features



Simplify, reorganize, and add visuals to make the code more user friendly

Project Timeline

This project is Phase 2 of a two-phased community development effort. Phase 1 is the update to the City's Comprehensive Plan, currently being finalized. To learn more about the Homer Comprehensive Plan Update, visit homercompplanupdate.com.



How to Get Involved



Join meetings. We are sharing information and discussing the Title 21 process and related updates at upcoming City of Homer Planning Commission meetings. Visit the [project website](#) for details on dates, topics, and how to join.



Send comments. Submit a virtual comment card [here](#) to share your ideas.



Weigh in. This summer, the public will be invited to share your feedback on potential changes to Title 21.



Sign up. Visit the project website to sign up for project e-newsletters (approximately 4-5 emails between now and December 2025).



Contact the team. City Planner, Ryan Foster, rfoster@ci.homer.ak.us; Project Manager, Shelly Wade, shelly@agnewbeck.com.

Learn more about the project, including important dates, materials, and how to connect with the project team at

www.HomerT21CodeUpdate.com





Homer Title 21 Update

Progress Report to City Council

Prepared April 8, 2025

Accomplishments to Date

November 2025: Initial Introduction to City Council

February 2025: Staff Listening Session

- Met with City staff to discuss some of the challenges with the current code and what is working well. Also discussed desired future developments and examined specific topics such as conditional use permits, natural hazards, and sign code. This conversation built from an initial list of code issues, featuring input from the Homer Planning Commission and City staff.
- *Listening session held February 6, 2025; [agenda](#) and [notes](#) available on project website.*

March 2025: Planning Commission Kickoff Meeting

- Facilitated a discussion at a regularly scheduled Planning Commission meeting to introduce the project team and share an overview of the schedule and tasks. Reviewed the Planning Commission's role and shared some examples from another community. Discussed top priorities for the code update.
- *Kickoff held March 5, 2025; meeting [minutes](#), [slides](#), and [recording](#) available on project website.*

April 2025: Summary Background

- This report summarizes relevant inputs into Homer's Title 21 Zoning Code Update. Input comes largely from the 2035 Comprehensive Plan Update Public Review Draft, including public input related to zoning, demographic data, goals, and strategies.
- *The Summary Background will be discussed at the April 16th, 2025 Title 21 Update Planning Commission Work Session.*

April 2025: Code Audit

- This audit of the existing code is an important starting point for the code revision process. The code audit summarizes input on key issues from staff and Planning Commission members, along with a technical code review by the consulting team. The code review addresses specific regulatory topics, first by summarizing the existing regulations, followed by considerations and recommendations to align the City's zoning/development standards. The audit identifies areas of the code that are: overly complex, redundant, and unclear; create barriers to housing; are onerous to permitting and approvals; are outdated as sound planning practices; or fail to achieve the outcomes the City wants to see as articulated in the draft comprehensive plan.
- *The Code Audit will be discussed at the April 16th, 2025 Title 21 Update Planning Commission Work Session.*

April 2025: Launch Website

Project website launched to the public: <https://homert21codeupdate.com/>

Upcoming Activities

- **April 16th: Planning Commission Work Session.** The project team will present key findings from the Summary Background and Code Audit, and related topics.
- **April 29-30th: Stakeholder Dialogues.** The project team is convening three dialogues to talk with Homer-area professionals that use/engage with the code (Title 21). This includes:
 - Builders and Developers
 - Business Owners
 - Realtors
- **April 30th: Community site tour.** The project team will drive around Homer with City staff to visit example areas where zoning policies resulted in positive outcomes, and areas of concern/tension.
- **May 21st: Planning Commission Meeting.** The project team will share an overview of April stakeholder engagement activities and guide a discussion around specific sections of the code.

Roles of the Planning Commission and City Council

Planning Commission

The Planning Commission is the advisory body for the Title 21 Update process.

Roles:

- Share guidance, feedback, and local knowledge during the code drafting process.
- Provide feedback on draft materials, including the draft code.
- Make a recommendation to the City Council regarding adoption the Title 21 Update.

City Council Engagement

- The project team will share periodic updates with the City Council, often via the City Manager's reports.
- City Council members are invited to stay informed about the process by attending Planning Commission meetings, reading project documents, participating in community activities, and reviewing the public review draft of the revised code.
- The City Council will be responsible for the adoption of the Title 21 Update.



Carla Stanley, representing the
City of Homer

Update from the Board of Directors

Cook Inlet Regional Citizens Advisory Council

The Cook Inlet Regional Citizens Advisory Council held its regular and annual meeting April 4th in Kenai.

Casey Sullivan, Manager of Government Affairs for Marathon Petroleum gave a presentation titled “Energy Matters to Alaska”. The company transports crude oil and refined products in Alaska. The presentation included a brief history of the Kenai refinery in Nikiski, which he says ranks near the top of the company’s operations in terms of safety and reliability, though changing market conditions are making the facility’s profitability more difficult. The refinery currently employs 280 people, and more than 100 associated contractors.

University of Alaska Fairbanks graduate student Sonia Kumar gave an update on her beluga whale studies, which have been funded in part by CIRCAC. The project uses acoustic monitoring techniques to gauge abundance of belugas and other species in the Kenai and Kasilof rivers. The gathered data in the rivers is analyzed as beluga positive minutes. No acoustic evidence of belugas was found in the Kasilof, despite traditional use of the species there. Sonia is working on a paper to try and explain this phenomenon. eDNA samples have also been taken, wherein water samples can be analyzed for DNA material and extrapolated to reflect species abundance. The eDNA studies produced data for king, silver, pink and sockeye salmon as well as eulachon, or hooligan. In the Kenai, belugas were detected during peak pink salmon runs, even though silver salmon make up the bulk of their diet according to earlier studies. The beluga population in Cook Inlet, last surveyed in 2021, showed marginal growth, potentially leveling off a decades-long decline.

We also received an update from the Alaska Department of Environmental Conservation. Ytamar Rodriguez, ADEC Interagency Coordination Manager for the Spill Prevention and Response (SPAR) Program reported that the central region is fully staffed and has seen nearly full employee retention in Fiscal Year 2025. We learned that Deputy Commissioner Christina Carpenter will soon be appointed as Department Commissioner, following the departure of Emma Pokon, who has moved to the Environmental Protection Agency Region 10 (Alaska, Washington, Oregon, Idaho, and Tribal entities). ADEC has planned upcoming training with all staff in Anchorage for presentations on migrating Geographic Response Strategies (GRS) to Geographic Information Systems (GIS), a more readily accessible and dynamic platform for responders to use during a spill event. ADEC issued a permit for tanker transportation to the Don Young Port of Alaska in Anchorage for Bear Logistics on March 10th. The Department is also working on removing the Drift River Terminal on the west side of Cook Inlet from current GRS maps.

Caryn Smith is our Ex-Officio member representing the Bureau of Ocean Energy Management. As Outer Continental Shelf (OCS) Oceanographer, she gave an update on proposed BOEM studies for Cook Inlet that are subject to available funding - two are bird studies for Lower Cook Inlet and another is for passive acoustic studies of Lower Cook Inlet. BOEM has so far lost one staffer in Alaska as a result of recent cuts to federal programs and agencies.

The April meeting also serves as our annual meeting, where we seat new and reelected Board and Committee members. Sean MacKenzie, representing the Municipality of Anchorage; Walt Sonen, representing the City of Seldovia; Robert Peterkin II, representing Tourism Interest Groups; Bob Flint, representing Recreation Interest Groups were all seated to the Council. We also recognized Council members for their years of service and our Volunteer of the Year:

Rob Lindsey (City of Kodiak) – 25 Years

Carla Stanley (City of Homer) – 20 Years

Michael Ophiem (Alaska Native Interest Groups) – 15 Years

Scott Arndt (Kodiak Island Borough) – 5 Years

Dr. Eric Klein (Environmental Monitoring Committee, public member) – 10 Years.

CIRCAC Volunteer of the Year – Scott Arndt

Our next meeting is scheduled for September 5th in Seldovia.



Alaska Small Business
Development Center

SBDC UAA BUSINESS ENTERPRISE INSTITUTE

April 8, 2025

City of Homer
491 E. Pioneer Ave
Homer, AK 99603

Dear Homer Community,

This letter serves as our quarterly report for the period of January 1 to March 31, 2025. Homer Business Advisor Robert Green got the quarter off to a fast start, logging a couple of business starts and over a half million in capital infusion. Since then, things have quieted down as Robert has been out of the office on family medical leave. During the same quarter last year, Robert logged 182.6 hours with 46 clients, supporting 134 jobs, but those figures dropped significantly in his absence, with other advisors covering the Homer area remotely. This highlighted the importance of a business advisor located within the Homer business community, and we eagerly look forward to Robert returning next quarter. Here is a summary of deliverables to the Homer community during the quarter:

Client Hours: 101.1

Total Clients: 30

New Businesses Started or Bought: 2

Jobs Supported: 38

Capital Infusion: \$659,500

Client Surveys: 100% positive

The next section provides lists of the top advising topics and top industries obtaining technical assistance from the Alaska SBDC in Homer. This quarter, financing and capital overtook start-up assistance, while the list of the top five topics did not change. For industries, food services remained atop the list for a third consecutive quarter, followed by education and healthcare.

Topics

1. Financing/Capital: 47.6 hrs (47%)
2. Start-up Assistance: 20.4 hrs (20%)
3. General Management: 14.6 hrs (14%)
4. Buy/Sell Business: 8.8 hrs (9%)
5. Business Planning: 3.7 hrs (4%)

Industries

1. Food Services: 22.0 hrs (22%)
2. Educational Services: 21.7 hrs (21%)
3. Healthcare: 15.1 hrs (15%)
4. Accommodations: 11.0 hrs (11%)
5. Services: 8.3 hrs (8%)

We would like to thank the City of Homer for supporting the Homer Business Advisor position. We greatly appreciate the knowledge, experience, and consistency Robert Green brings to efforts in Homer. Please do not hesitate to contact us if you have any questions.

Sincerely,

DocuSigned by:

98AFA012679B4D7...

Jon Bittner

Executive Director
Alaska SBDC

CITY OF HOMER
HOMER, ALASKA

City Manager/
Community Development Director

RESOLUTION 24-124(S)

A RESOLUTION OF THE CITY COUNCIL OF HOMER, ALASKA
AUTHORIZING THE CITY MANAGER TO PURSUE THE PURCHASE
OF LANDS FOR THE PURPOSE OF GREEN INFRASTRUCTURE
~~PLANNING, CONSTRUCTION AND~~ CONSERVATION AND TO
BRING FORWARD THE NECESSARY ORDINANCES TO THE CITY
COUNCIL.

WHEREAS, The City Council adopted Ordinance 23-46, accepting and appropriating a
sub-recipient grant in the amount of \$1,171,410 for the Kachemak Sponge Green
Infrastructure Storm Water Treatment System; and

WHEREAS, The National Oceanic and Atmospheric Administration (NOAA) grant
funds will cover some property acquisition and the design of a green infrastructure storm water
project; and

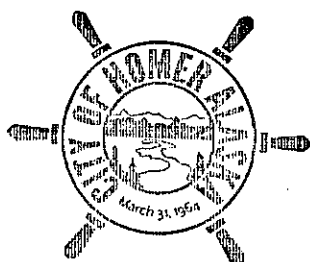
WHEREAS, The FY 2024 Capital Budget included \$418,100 in HART Roads funds for the
purchase of lands that are required for the project, but not grant eligible; and

WHEREAS, The City wishes to negotiate with property owners in good faith and
additional City funds will be required to purchase properties; and

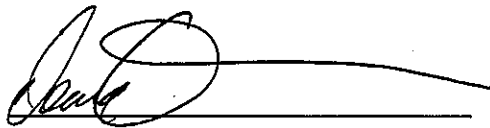
WHEREAS, With Council approval of this resolution, staff will pursue purchase of lands
and bring forward the appraisal ordinances.

NOW, THEREFORE, BE IT RESOLVED that the City Council of Homer, Alaska hereby
authorizes the City Manager to pursue the purchase of lands for the purpose of Green
Infrastructure ~~planning, construction, and~~ conservation and bring forward the necessary
ordinances to City Council.

PASSED AND ADOPTED by the Homer City Council this 10th day of February, 2025.



CITY OF HOMER


DONNA ADERHOLD, MAYOR PRO TEM

45 ATTEST:

46 
47 _____

48 RENEE KRAUSE, MMC, CITY CLERK

49

50 Fiscal information: ~~\$130,000 Unbudgeted~~, \$418,100 Budgeted. Unbudgeted portion to come
51 from HART Roads.



MEMORANDUM

Resolution 24-124, A Resolution of the City Council of Homer, Alaska, Authorizing the City Manager to Pursue the Purchase of Lands for the Purpose of Green Infrastructure Planning, Construction, and Conservation and to Bring Forward the Necessary Ordinances to the City Council. City Manager/Community Development Director.

Item Type: Backup Memorandum
Prepared For: Mayor Lord and Homer City Council
Date: November 12, 2024
From: Julie Engebretsen, Community Development Director
Through: Melissa Jacobsen, City Manager

Purpose

The purpose of this memorandum and resolution are twofold: to seek Council authorization to move forward on land purchases and to notify Council that additional City funding will be required for some of these purchases. This memorandum and resolution provide an opportunity for Council to ask questions and discuss the project outside of any specific land purchase actions. Appropriate ordinances will follow this resolution.

Green Infrastructure Background

Council heard presentations from the Public Works Department on the opportunity to use green infrastructure to handle storm water management in several locations in Homer. Council added these projects to the Capital Improvement Plan as a top 5 project in fall of 2021 and began funding project work by early 2022. One of these projects was the “Kachemak Sponge,” more specifically called the Kachemak Drive Peatlands Water Quality Improvement Project.

Peatlands Project

This project currently has two phases: storm water treatment design and land acquisition, followed by final design and construction. For the first phase of the project, the City of Homer in partnership with the Kachemak Bay Research Reserve was awarded a NOAA grant in 2023 (Ordinance 23-46). The grant includes the design of a storm water treatment system to serve Homer’s primary industrial area out East End Road near the Northern Enterprises Boat Yard, as well as land acquisition for conservation parcels. This treatment system design is based on a similar system in Finland that shares Alaska’s cold climate and peat soils. The storm water treatment design relies on preserved wetlands and peatlands (a type of wetland) to absorb the storm water. Therefore, a major component of the

grant and this project phase is purchasing lands not only for future construction of storm water infrastructure, but for large areas of wetlands and peatlands to receive these waters.

There are two types of land acquisition for this project: grant-funded and City-funded.

- Grant funds will be used to buy land that is primarily going to be preserved. The grant has adequate funding to purchase all nine of these conservation properties.
- City funds are required to purchase the remaining four properties that will have constructed storm water works such as sediment settling and treatment ponds. Additional funds of approximately \$130,000 are needed to purchase all these lands.

Why is Additional City Funding Required?

When the City scoped the project and was awarded the grant, the City capital budget included \$418,100 in HART Road Funds for property purchase (Ordinance 23-23). As property values have increased, this will not be sufficient for purchasing these properties and conducting due diligence. Additionally, because the overall project design has been refined (as planned), and replatting originally driven by the grant is no longer required (and would be an unnecessary use of funds), there are two additional parcels of Borough property that the City will need to purchase with City funds. Staff estimates Council will need to approve an additional \$130,000 for the land acquisition phase of the project to move forward.

Phase 2

The next phase of the project will include final designs, bid documents and construction of storm water infrastructure. The City does not have a current construction cost estimate, but costs could range from \$4,000,000 to \$8,000,000 or more, depending on how far in the future construction occurs and the final project designs. Future funding sources may include federal appropriations grants, City funds, and the State of Alaska DEC Clean Water Revolving Loan funds. This project has previously been included in the state's Intended Use Plan, indicating potential future success. Without purchasing and securing land now, the City will lose the opportunity to provide green infrastructure storm water treatment based on the current designs.

Attachments

Map showing grant-funded and City-funded property acquisition










(Parcels with dashed blue outline are proposed City funded purchases for future constructed storm water works. Other parcels are grant funded for conservation and limited storm water infrastructure)

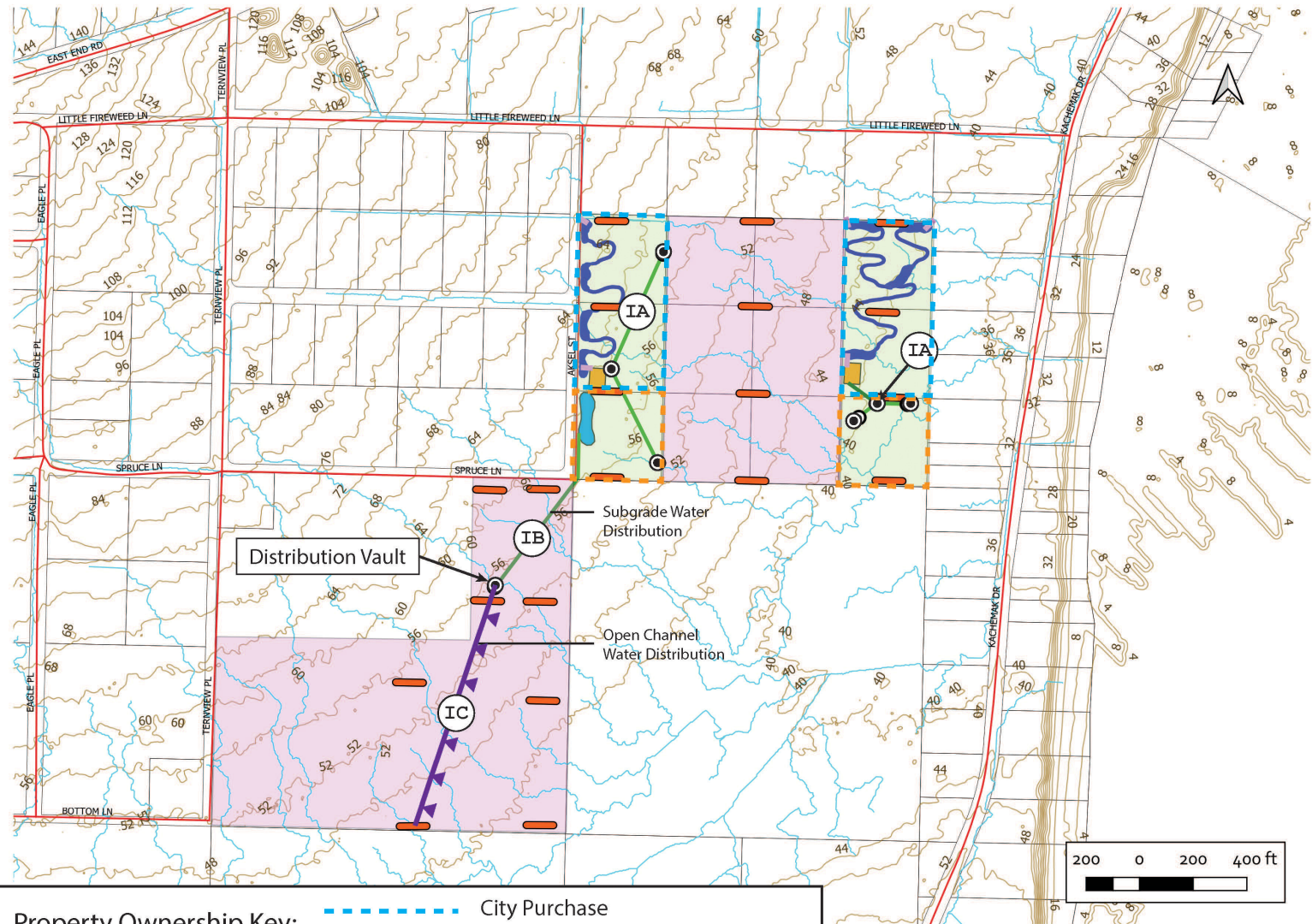
RECOMMENDATION:

Adopt Resolution 24-124.

Acquisition Map - PLAN A1: Option A

LEGEND

-  PLAN A1 Area
-  NOAA Acquisition Boundary
-  Supplemental Monitoring:
Vegetation transects:
30m (100ft) each
-  Distributor Vault
-  INSET
24-inch HDPE
Culvert Distributor
-  INSET
36-inch HDPE
Culvert Distributor
-  INSET
Trapezoidal Bioswale
Distributor
-  Trapezoidal
Bioswale Distributor
With Turnouts
-  Trapezoidal Connecting
Bioswale



Property Ownership Key: ---- City Purchase
---- Needs Confirmation (NOAA/COH)

CLIENT
 City of Homer
 Homer Public Works Dept
 3575 Heath St
 Homer, AK 99603

PROJECT
 Kachemak Sponge Wetlands
 Stormwater Treatment System

DRAWN BY



DESCRIPTION
 Kachemak Sponge Wetlands
 Stormwater Treatment System
 Acquisition Map

FIGURE
02



MEMORANDUM

Resolution 24-124(S), A Resolution of the City Council of Homer, Alaska, Authorizing the City Manager to Pursue the Purchase of Lands for the Purpose of Green Infrastructure Planning, Construction, and Conservation and to Bring Forward the Necessary Ordinances to the City Council. City Manager/Community Development Director.

Item Type: Backup Memorandum
Prepared For: Mayor Lord and Homer City Council
Date: January 30, 2025
From: Julie Engebretsen, Community Development Director
Through: Melissa Jacobsen, City Manager

Update

Memorandum CC-24-248 provided information about the proposed Kachemak Peatlands land purchases, and alerted Council to the need for additional HART funds to buy more land.

Since the introduction of the Resolution 24-124 and the memorandum in November 2024, Council held a work session on the HART fund and the expected future expenses to the fund. Based on that conversation and limited funds for the many City needs and priorities, the project team met and discussed alternatives.

With project team consensus staff withdraws a request for additional funding, and recommends amendments to the resolution. The amendments include changes to the title on line 11, the now therefore clause on line 33, and striking a portion of the fiscal note on line 48 removing reference to the requested \$130,000.

Next Steps

1. Land acquisition will be limited to buying conservation properties with grant funds.
2. The project team will revisit the storm water design to see if a less expensive alternative is possible.
3. If an alternative design is possible staff will bring information to Council, to include land purchases that can be accomplished within the existing approved budget.

RECOMMENDATION:

Adopt Substitute Resolution 24-0124 removing reference on line 48 to the unbudgeted \$130,000.

Attachment

Memorandum 24-248 and map



Kachemak Bay National Estuarine Research Reserve
Alaska Center for Conservation Science
UNIVERSITY of ALASKA ANCHORAGE

2181 Kachemak Drive Homer, Alaska 99603 (907) 235-4799

January 30, 2025

Dear Homer City Council,

On behalf of the Kachemak Bay National Estuarine Research Reserve (KBNERR), and as Principal Investigator on the Kachemak Drive Peatlands Water Quality Improvement Project (aka 'Kachemak Sponge'), of which the City of Homer is a subrecipient of funding, I am writing to summarize the project progress and highlight the benefit of using these grant funds to acquire lands for conservation benefit.

This project has been a success-to-date and we have met NOAA's requirements to purchase lands with grant funds. We are now ready to draft the purchase and sales agreements, and are seeking City approval to move forward. The NOAA grant covers 100% of the cost of the purchase of these lands.

Even if the stormwater infrastructure does not get built in the immediate future, purchasing these lands absorbs and slows stormwater velocities, in addition to having conservation benefit.

More details about the grant project below:

This grant is funded through NOAA's National Estuarine Research Reserve Habitat Protection and Restoration Program. The primary purpose of the grant is for *"...acquisition of land for the purpose of conserving ecologically significant peatlands and further utilizing them in an innovative green infrastructure project... The purpose of the project is to purchase large tracts of vital peatlands inside the City of Homer limits and protect them into perpetuity under public ownership."*

To date, one of the primary deliverables of the grant has been met and paid for through a subaward to the City: to support the planning & design of the Kachemak Sponge stormwater infrastructure project. A preliminary design has been completed by Coble Geophysical, LLC., and is adaptable for multiple scenarios of land acquisitions, including a request to NOAA to install minor infrastructure on lands purchased with NOAA conservation funds. Given there is a stormwater management problem along Kachemak Drive, and there is a water quality concern for filtering stormwater prior to it entering Kachemak Bay, this is a critical project for the City to continue to support.

Purchasing lands and conserving the wetlands that do exist are the next step toward meeting ecological and economic goals of this project. By keeping the wetlands and peatlands intact, it reduces stormwater impacts and erosion to roads and properties along Kachemak Drive. Natural absorption and storage of flood waters in the peatlands will slow stormwater velocities through and over nearby bluffs along the



Kachemak Bay National Estuarine Research Reserve
Alaska Center for Conservation Science
UNIVERSITY of ALASKA ANCHORAGE

2181 Kachemak Drive Homer, Alaska 99603 (907) 235-4799

shores of Kachemak Bay, which will reduce erosion and protect the water quality of the Bay. Furthermore, purchasing these lands conserves wildlife and bird habitat, including critical moose habitat – providing both an important food source and protected space for moose calving in the spring.

Regardless of when or how the City decides to move forward with spending City funds on the Kachemak Sponge stormwater infrastructure project, purchasing the conservation designated lands with 100% of NOAA funds has a multitude of benefits. The KBNERR and City of Homer project staff have put an immense amount of work into this project, alongside NOAA, in preparing for actual purchase and sale of properties. We are now ready to proceed with these purchases.

I strongly urge the City Council to move forward with the grant commitment of using these grant funds to purchase lands for conservation – which could be incorporated into future stormwater infrastructure design and implementation.

Sincerely,

A handwritten signature in black ink that reads 'Katherine Schake'.

Katherine Schake, Reserve Manager
Kachemak Bay National Estuarine Research Reserve



TOURISM INDUSTRY WORKING GROUP

DRAFT FINAL REPORT

APRIL 2025

MEMBERS

Industry Representatives:

Carol Fraser, Duane Bannock, Tom Tougas,
Jonathan Faulkner, Alternate

Community Members:

Denie Hippert, Donna Hall, Larry Opperman,
Sargeant Truesdell, Donald St. John,
Alternate

Ex-Officio Members:

Borough Mayor Peter A. Micciche-Chair,
Assembly Vice President Kelly Cooper-Vice
Chair, Assembly Member Cindy Ecklund

Goals and Objectives

The Tourism Industry Working Group (TIWG) was formed to assess the economic and operational impacts of tourism in the Kenai Peninsula Borough (KPB) and explore revenue mechanisms that ensure a fair distribution of costs associated with visitor activity. Over the winter season, the TIWG analyzed data related to the overall benefits and perceived KPB-related impacts, including sales tax revenue, emergency services, solid waste management, direct economic and employment benefits, current trends related to tourism on the Kenai, and the cruise industry's role in our local economy. The following report outlines our findings and recommendations for your consideration.



KEY PRESENTATIONS

TIWG had the opportunity to explore a range of topics through insightful presentations. Below is a list of the key presentations delivered during our meetings.

- 1/29/2025: KPB Sales Tax and Tourism – Brandi Harbaugh, Finance Director
- 1/29/2025: KPB Solid Waste – Data provided by Tim Crumrine, Acting Director
- 1/29/2025: Tourism in the KPB – Cassidi Cameron, KPEDD Executive Director; Caitlin Coreson, KPEDD Program Manager; Andy Wink, Wink research and Consulting
- 2/26/2025: KPB Emergency Services – Brandi Harbaugh, Finance Director
- 2/26/2025: Seasonal Sales Tax, 2% and 4% Model – Brandi Harbaugh, Finance Director
- 2/26/2025: Cruise Lines International Association in Alaska – Renee Reeve, Government & Community Relations

Tourism Economic Contributions

- Not including indirect benefits associated with gig employment and property value investment increases due to tourism related infrastructure, tourism contributes nominally 11% of the borough's economy.
- An estimated 5,900 direct tourism jobs exist in the private sector, accounting for 21% of the total.
- Tourism earnings in KPB are valued at \$152.3 million annually, with major sectors including:
 - Restaurants & Bars: \$57.8M
 - Accommodations: \$42.8M
 - Water Transport & Sightseeing: \$26.4M
- Sales tax revenue generated from tourism-related businesses is estimated between \$5.6M-\$10.3M annually (12-22%).
- Historically, a significant proportion of KPB residents are former tourists to the region who chose to become residents and join our workforce.
- Cruise passengers significantly contribute to local economies; analysis of visitor spending in Juneau estimates visitors spend \$232 each and expectations are likely similar on the Kenai, although have not been directly studied.

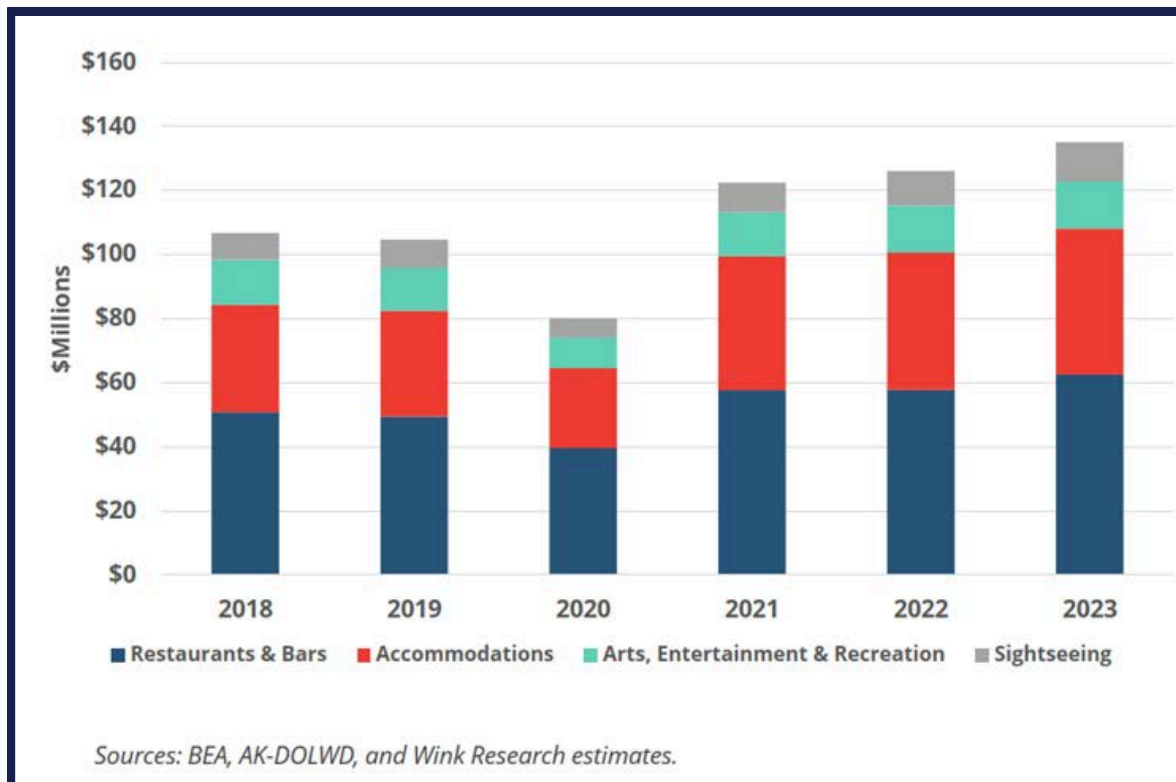
Tourism Direct Economic Contribution to KPB Economy - 2022

Tourism Sectors	Peak Employment	Avg. Monthly Employment	Earnings (\$M)
Specialty Retail Trade*	528	440	\$10.6
Water Transport & Sightseeing	710	335	\$26.4
Arts, Entertainment & Recreation	901	541	\$14.7
Accommodations	1,552	912	\$42.8
Restaurants & Bars	2,231	1,631	\$57.8
Tourism Sector Total	5,922	3,859	\$152.3
KPB Private Sector Total	28,472	-	\$1,423.0
KPB Tourism Pct.	21%		11%

*Clothing, Accessories, Sporting, Hobby & Musical Instrument retailers.

Sources: BEA, AK-DOLWD & Wink Research estimates.

KPB TOURISM EARNINGS BY SECTOR



SEASONALITY OF TOURISM EMPLOYMENT



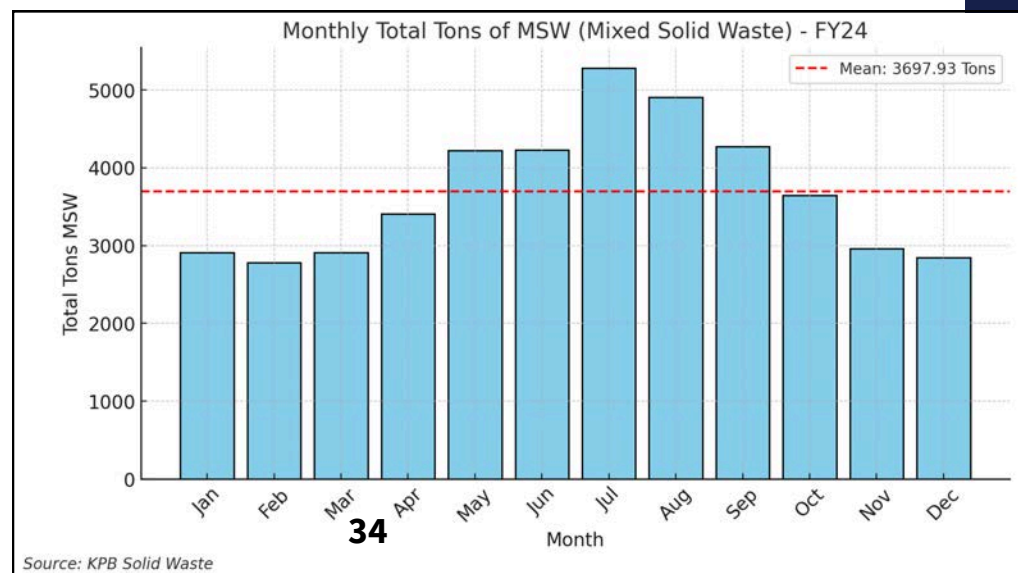
Public Services- High Seasonality

Seasonal fluctuations in service demand occur naturally, with the summer months also bringing increased resident activity across the region. These increases reflect a combination of factors, including seasonal employment, construction, outdoor recreation, and overall population movement. Emergency services experience a 5% seasonal increase, resulting in an estimated \$1.38 million in expenditures, while solid waste management sees a 10% seasonal rise, with expenditures estimated at \$1.29 million. At the same time, tourism-related businesses generate an estimated \$5.6 million to \$10.3 million annually in sales tax revenue—representing 12% to 22% of total collections—which significantly exceeds the combined seasonal costs of emergency services and solid waste.

Bottom line: The Kenai Peninsula Borough does not subsidize tourism. Rather, tourism supports the overall economic health of the region in direct cash infusion for KPB services through sales tax; into general private sector infrastructure investment, which results in additional property tax; and through a significant proportion of private sector employment.

SOLID WASTE

- Solid Waste FY25 Total Expenditures and Operating Transfers: \$12,931,000.
- KPB Solid Waste processes 44,375.17 tons of mixed solid waste annually.
- Waste generation peaks during the summer months of July (5,282.72 tons) and August (4,906.78 tons).
- While tourism is a contributing factor, it is not the sole driver of increased waste. The upward trend begins in April (3,408.86 tons), followed by a significant jump in May (4,219.51 tons)—well before the peak tourism months of June, July, and August.
- The average monthly tonnage is 3,697.93.
- **4,418.28 tons are above the mean, reflecting a 10% seasonal increase—\$1.29M estimated expenditure with all dollars above the mean being conservatively applied specifically to tourism.**



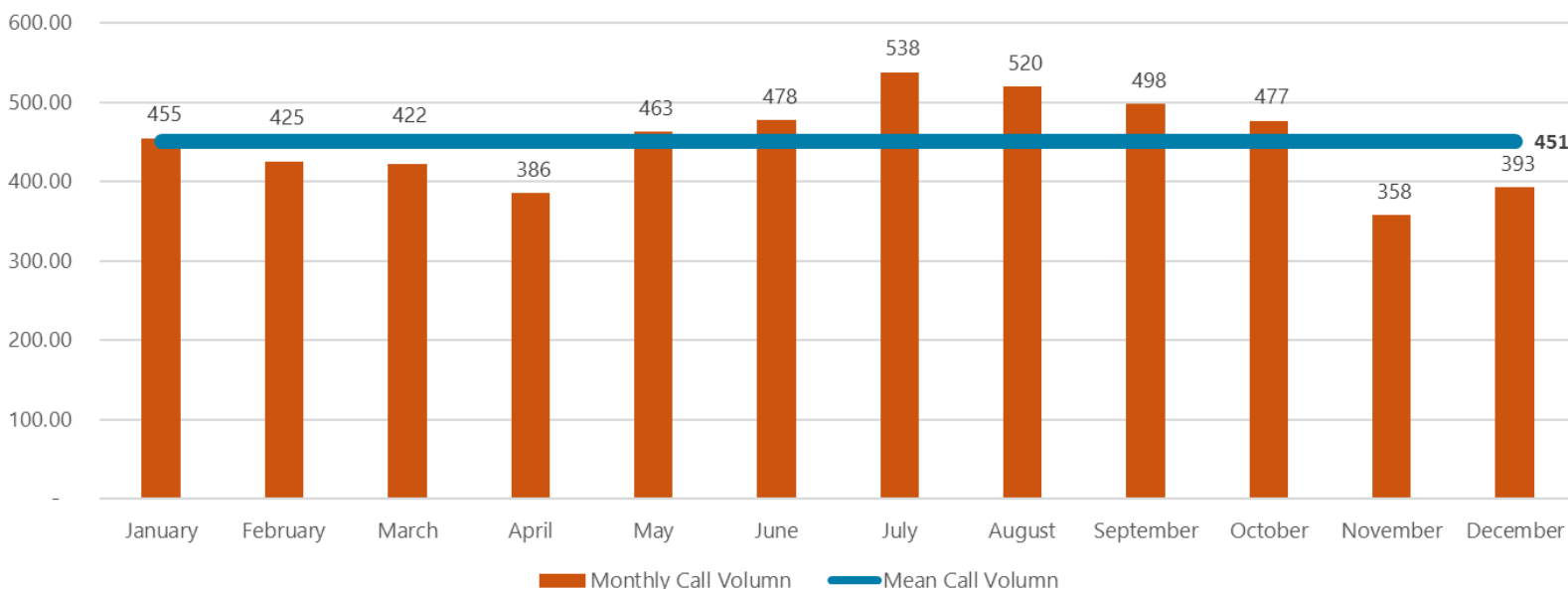
EMERGENCY SERVICES

- Total Annual Call Volume: The total number of EMS and Fire calls for the year is 5,400.
 - \$27.39M expenditure annually
- Bear Creek Emergency Services (BC): 142 calls annually
 - \$1.65M expenditure annually
- Western Emergency Services (WES): 652 calls annually
 - \$3.1M expenditure annually
- Central Emergency Services (CES): 3,164 calls annually
 - \$13.57M expenditure annually
- Kachemak Emergency Services (KESA): 265 calls annually
 - \$1.98M expenditure annually
- Eastern Peninsula Highway Emergency Services Area (EPHESA): 85 calls annually
 - \$366.9K expenditure annually
- Nikiski Fire Service Area (NFSA): 1,105 calls annually
 - \$6.72M expenditure annually



- Mean Call Volume: The average (mean) monthly call volume is 451.
- **Annual call volume includes 272 calls above the monthly average, reflecting a 5% seasonal increase—\$1.38M expenditure with all dollars above the mean being conservatively applied specifically to tourism.**

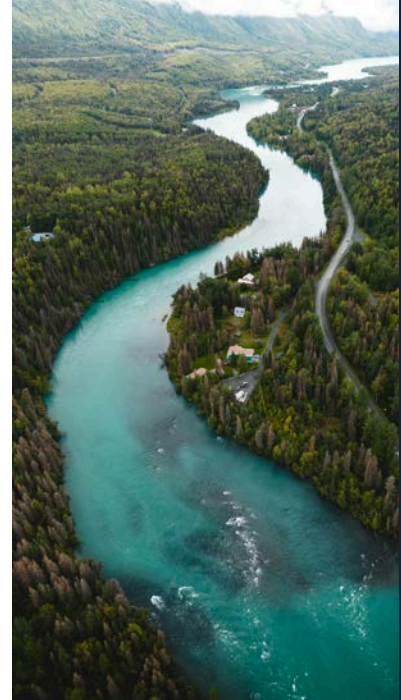
KPB Fire & EMS Call Monthly Volume- Actual vs. Seasonal



Source: KPB Finance Department

Lodging Tax Implications

- Lodging establishments and many tourism-related services already pay a premium of sales taxes to the KPB due to the per unit/per night tax cap, versus other services paying on a total bill \$500 cap basis. That value is not included in the previous numbers, according the KPB Finance amount up to approximately \$3.5 Million annually.
- Lodging taxes increase accommodation costs for guests, potentially discouraging visitors—especially in competitive or price-sensitive markets.
- Small lodging providers may struggle to absorb or pass on the cost of the tax, unlike larger hotel chains. Destinations with higher taxes risk losing tourists to nearby areas with lower rates. Although there are KPB cities that have chosen to tax lodging, the KPB has no responsibility to level a playing field laced with negative impacts.
- KPB cities that have chosen to adopt lodging taxes provide direct tourism-related services such as parks, boat launches, campgrounds, river walks, etc. The 2nd Class Kenai Peninsula Borough does not have the recreation powers to provide such services.
- The Kenai Peninsula Borough would incur significant costs for new software to track and manage this new tax stream as well as additional personnel to handle the increased workload in this very lean municipal operation.
- Hotels, lodges, and short-term rentals would face extra administrative burdens, including completing both traditional sales tax forms and separate forms for the lodging tax.
- Travelers staying in regions with multiple overlapping tax zones may be confused by their billing.
- Businesses located in multiple overlapping tax zones will experience a greater tax reporting burden.
- Taxing a single industry—particularly lodging—more heavily than others may create an imbalance, especially when tourism activity supports a wide range of businesses, with retail being among the largest during peak seasons.
- Becoming overly reliant on bed tax revenue, which can fluctuate significantly due to seasonal trends, economic downturns, or unexpected disruptions in the tourism industry, presents risks to reliable budging.
- Finally, and most importantly, the KPB cannot justify the need for more revenue. In fact, the reverse is true since the KPB currently holds over \$10 Million in excess unreserved general funds above the \$32 Million maximum reserves; tax dollars that should be gradually returned to taxpayers. However, there are other options to consider that will offset revenue, provide for economic development and allow significant tax reductions to our residents.



Seasonal Sales Tax Benefits

2% Winter, 4% Summer Model

The KPB Administration has been evaluating options available to protect residents from rapidly rising real property valuation and the resulting tax burden. One option that delivers value to locals while not penalizing visitors and the tourist industry includes implementing a seasonal sales tax structure. Under evaluation is revising a 3% sales tax all year to a 2% October to March and 4% April to September to sales tax, which provides several financial and economic advantages for Borough residents.



Current Model

SalesTax - TXBL Sales			down (0.03)	SalesTax - TAX		
Reported Txbl	FY24	FY25		Reported Txbl	FY24	FY25
July-Sep 23	552,664,728.00	538,677,066.00		July-Sep 23	16,579,941.84	16,160,311.98
Oct-Dec 23	258,532,402.00	250,776,429.94		Oct-Dec 23	7,755,972.06	7,523,292.90
Jan-Mar 24	233,803,744.00	226,789,631.68		Jan-Mar 24	7,014,112.32	6,803,688.95
Apr-Jun 24	397,650,641.00	385,721,121.77		Apr-Jun 24	11,929,519.23	11,571,633.65
	<u>1,442,651,515.00</u>	<u>1,401,964,249.39</u>			<u>43,279,545.45</u>	<u>42,058,927.48</u>
				Remote		4,000,000.00
						<u>46,058,927.48</u>

2% Oct-Mar, 4% Apr-Sep

SalesTax - TXBL Sales			down (0.03)	SalesTax - TAX		
Reported Txbl	FY24	FY25		Reported Txbl	FY24	FY25
July-Sep 23	552,664,728.00	538,677,066.00		July-Sep 23	16,579,941.84	21,547,082.64
Oct-Dec 23	258,532,402.00	250,776,429.94		Oct-Dec 23	7,755,972.06	5,015,528.60
Jan-Mar 24	233,803,744.00	226,789,631.68		Jan-Mar 24	7,014,112.32	4,535,792.63
Apr-Jun 24	397,650,641.00	385,721,121.77		Apr-Jun 24	11,929,519.23	15,428,844.87
	<u>1,442,651,515.00</u>	<u>1,401,964,249.39</u>			<u>43,279,545.45</u>	<u>46,527,248.74</u>
				Remote		4,000,000.00
						<u>50,527,248.74</u>
				Additional Rev		<u>4,468,321.26</u>

Source: KPB Finance Department

Increase Revenue Generation

- The current year-round 3% model generates \$46.06 million in total sales tax revenue.
- The proposed seasonal 2-4% model increases revenue to \$50.53 million, resulting in an additional \$4.47 million annually.
- Higher tax collection in the summer months aligns with peak tourism, ensuring that visitors contribute proportionally higher and fairly to public services.

Fair Tax Distribution

- A higher summer rate (4%) ensures that the bulk of revenue is generated when tourism activity is at its highest.
- A lower winter rate (2%) reduces the tax burden on year-round residents, making the aggregate annual tax impact easier for locals.

Alignment with Seasonal Demand for Services

- Peak summer months (July-September) bring increased activity for emergency services and waste management, as well as heavier traffic.
- A higher sales tax during these months ensures that visitors are paying more than their share for the services they use.

Local Benefits for Residents

- Lower winter sale tax costs
- Lower property taxes
- No need for new KPB Tax Personnel
- No burdensome accounting for business owners
- KPB already has adequate revenue, but this proposal allows for tax reductions and an offset to local taxpayers.



Recommendations/Conclusion

Tourism plays a crucial role in KPB's economy, generating substantial revenue and employment opportunities. Implementing the 2% winter and 4% summer seasonal sales tax would ensure that visitors contribute more than their fair share without placing undue strain on the tourism industry. A seasonal sales tax model balances the economic contributions of tourism with the financial needs of residents and public services. By leveraging higher visitor spending in the summer while relieving winter financial pressure on locals, this structure provides a sustainable and equitable revenue solution for KPB. Adjusting the tax rate during peak tourism months would help offset borough costs, with a temporary summer increase generating an additional \$4 million in revenue that should be shared through property tax reductions. Aside from property tax relief, these funds should further promote KPB as a travel destination.

After a winter of expert presentations, careful evaluation and factual data processing, the Tourism Industry Working Group recommends that the KPB Assembly evaluate adoption of a seasonal sales tax as a practical solution to boost revenue, ease the tax burden on residents, and support KPB's economic growth, and send it to the people for a vote in the Fall of 2025.





MEMORANDUM

Resolution 25-026(S), A Resolution of the City Council of Homer, Alaska, Awarding the Contract for Federal Lobbyist Services to The Ferguson Group of Washington, D.C. in the Annual Amount of \$65,000 and Authorizing the City Manager to Negotiate and Execute the Appropriate Documents. City Clerk.

Item Type: Backup Memorandum
Prepared For: Mayor Lord and Homer City Council
Date: April 14, 2025
From: Melissa Jacobsen, City Manager

The request for proposals for a Federal Lobbyist for the City of Homer was issued January 6, 2025 in an effort to secure a qualified firm to advocate on federal budgeting and legislation that impact the City of Homer, particularly in the areas of federal appropriations, federal grants, and federal programs and projects.

Timely and responsive proposals were submitted by Acorn Consulting, Holland & Hart, Robertson, Monagle, & Eastaugh, Van Ness Feldman, LLP, The Ferguson Group, and The Reserve Component.

Submittals were evaluated and scored by a review committee that consisted of Councilmembers Aderhold and Davis, Special Projects and Communications Coordinator Carroll, Port Director Hawkins, and myself in accordance with the following criteria:

- Completeness of proposal (as per Proposal Format and Guidelines) – 5 points
- Respondent's experience (past performance, work products, timeliness, cost control) – 20 points
- References – 5 points
- Fee schedule/budget proposal – 5 points
- Strategy for accomplishing goals and priorities for the City as outlined in Section III above – 35 points
- Strategy for accomplishing goals and priorities for the City specific to the Homer Harbor Expansion - 30 points

Maximum Score - 100 points

The selection committee reviewed and discussed the proposer's prior work experience and performance and conducted interview with the three top scoring firms, Holland & Hart, The Ferguson Group, and The Reserve Component. Factors such as overall experience relative to the proposed contract, quality of work, cost control, and the ability to meet schedules were considered during the evaluation. Proposals are confidential until a contract is awarded.

The committee selected the Ferguson Group to be the best suited to the City's lobbying needs.

Recommendation:

Adopt Resolution 25-026(S) awarding the contract for Federal Lobbying Services to The Ferguson Group.

**CITY OF HOMER
HOMER, ALASKA**

City Clerk

RESOLUTION 25-026(S)

A RESOLUTION OF THE CITY COUNCIL OF HOMER, ALASKA,
AWARDING THE CONTRACT FOR THE FEDERAL LOBBYIST
SERVICES TO THE FERGUSON GROUP OF WASHINGTON, D.C. IN
THE AMOUNT OF \$65,000 AND AUTHORIZES THE CITY MANAGER
TO NEGOTIATE AND EXECUTE THE APPROPRIATE DOCUMENTS.

WHEREAS, In accordance with the Procurement Policy the Request for Proposal was
advertised in the Homer News on January 9 and 16, 2025, in the Anchorage Daily News on
January 12, 2025, listed with three plans rooms in the State and on the City website; and

WHEREAS, Proposals were due by 4:30 p.m. on Thursday, February 6, 2025 and Six
proposals were received; and

WHEREAS, The Proposals were reviewed in accordance to the criteria established and
determined that The Ferguson Group of Washington, D.C. was the overall best fit for the
requirements of the City of Homer in the amount of \$5,000 per month equaling \$65,000
annually for the services as identified in the Request for Proposal documents; and

WHEREAS, \$25,000 is currently budgeted for Federal Lobbying Services and funds are
available to engage The Ferguson Group through the end of the FY25, however a budget
amendment will be necessary for the FY26/FY27 Biennial budget to adequately fund this
contract.

NOW, THEREFORE, BE IT RESOLVED that the City Council of Homer, Alaska, awards the
Contract for Federal Lobbyist Services to The Ferguson Group of Washington, D.C. in the
Amount of \$65,000 and authorizes the City Manager to negotiate and execute the appropriate
documents.

PASSED AND ADOPTED by the Homer City Council this 14th day of April, 2025.

CITY OF HOMER

RACHEL LORD, MAYOR

ATTEST:

RENEE KRAUSE, MMC, CITY CLERK

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Fiscal Note:

Ordinance 23-20(A) and 24-23(A) appropriated \$63,000 from General Fund (\$51,000 to 100-0100-5248, \$12,000 to 100-0110-5248); \$39,409 remains. Ordinance 23-20(A) and 24-23(A) appropriated \$42,000 from Port Fund (400-0600-5248); \$24,800 remains. Ordinance 24-23(A) appropriated \$2,000 from Utility Fund (\$1,000 to 200-0400-5248, \$1,000 to 200-0500-5248); \$2,000 remains.