



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

Memorandum Agenda Changes/Supplemental Packet

TO: MAYOR ZAK AND HOMER CITY COUNCIL
FROM: MELISSA JACOBSEN, MMC, CITY CLERK
DATE: JANUARY 8, 2018
SUBJECT: AGENDA CHANGES AND SUPPLEMENTAL PACKET

WORKSESSION

Memorandum 18-010 from City Manager Re: HERC Joint Worksession Page 3

Memorandum 18-011 from City Manager Re: HERC 2016 participation, HERC 2017 schedule
and potential tax revenues Page 5

PARCAC Commissioner comment Page 7

CITY ATTORNEYS REPORT

City Attorney Report Page 9

NEW BUSINESS

Memorandum 18-007(S), from City Clerk Re: Travel authorization for Mayor Zak and Councilmembers Aderhold and Erickson to attend the Alaska Municipal League/Alaska Conference of Mayors Winter Legislative Conference in Juneau, Alaska February 20-22, 2018

Page 11



City of Homer

www.cityofhomer-ak.gov

Office of the City Manager

491 East Pioneer Avenue
Homer, Alaska 99603

citymanager@cityofhomer-ak.gov

(p) 907-235-8121 x2222

(f) 907-235-3148

Memorandum 18-010

TO: Mayor Zak and Homer City Council
FROM: Katie Koester, City Manager
DATE: January 3, 2018
SUBJECT: HERC Joint Worksession

The purpose of this memo is to address questions posed by members of the Council and Commission in anticipation of the January 8 joint PARCAC and City Council work session on the Homer Education and Recreation Complex (HERC). In addition to this memo, a “HERC workbook” has been compiled with relevant documents. The workbook is meant to be a comprehensive resource for Councilmembers, Commissioners and the public on all things HERC in an effort to aid the discussion regarding the future of the property.

1) In recent years we have had two building assessments completed. The two assessment had completely different goals for being conducted and resulted in very conflicting results. We would like to know how we can unite those two documents to address bare bones renovation of the HERC, creating an Educational-Recreational facility that can be utilized by the public. Can we just address the Fire Marshall issues, electrical, mechanical, ventilation, water concerns and perhaps heating with gas? Or are there other concerns that must be addressed to make this building available for public use?

In 2012 Klauder & Company Architects, Inc. was hired by the City to evaluate the condition of the existing HERC building “to indicate building modifications that would be required to make the building code complaint and ADA accessible based on the proposed future use” (p.1) At the time of the report, the proposed future use included “continued use of the lower level by the Boys and Girls Club as well as use of the upper level as a community recreation and for public use, public weight/exercise room, and rental rooms for community projects. The upper level would also house the Community Schools Program” (p.1). Klauder concluded that “the cost of a complete renovation of this building will most likely be the same cost per square foot for construction of a new building” (p.5). The cost estimate for this project came in at a staggering \$10,334,475, or \$489/square foot.

In 2016 Stantec was hired to “examine the potential reuse of portions of the building [HERC] to provide space needed in a new Homer Police Station” (p.iii). This analysis draws some very positive conclusions about the overall strength and integrity of the building. Stantec estimated that reuse of the HERC for the non-essential police station space was between \$75-\$200/square foot versus \$400/square foot for new construction. Key to their findings was that the estimate “assumes that electrical, data communication and heating utilities would come from the new police station facility and only be upgraded or replaced to the minimum functional need” (p.iii). The estimate also assumed repurposing the HERC as non-essential space that would, for the most part, not be open to the public. Code and accessibility improvements for a public

space would need to be considered.

2) What is the cost of doing nothing? For years now we have neglected this building, and we are seeing the impact of this neglect. We must address the issue of this vacant building. What is the price tag that we will eventually have to pay for doing nothing?

The cost of demolition was estimated in 2013 to be \$450,000. The cost of demolition or renovation will only continue to escalate as construction costs increase and maintenance of the facility is minimal.

In the meantime, keeping the facility in warm status (55 degree heat with use of the gym only for Community Recreation) is budgeted at \$44,928 for 2018. However, 2016 actuals came in at \$36,362 due to an unusually warm winter and measures building maintenance has taken to shut down entire sections of the building. The last time the building was fully occupied (temporary City Hall upstairs and Boys and Girls Club downstairs) was 2012 and the actual operating cost of the HERC was \$75,245. This operating cost captures the efficiency of a new boiler that was installed in 2009, but the building has not been converted to natural gas. In 2013 converting HERC 1 (the larger facility) to natural gas (without the cost of the assessment) was \$25,000. The cost of heating oil at the HERC is budgeted at \$21,000 in 2018.

3) The advantages of this facility is the fact that it not only has a gym facility, but it has classroom and office space. What is the cost of recreating a facility of this nature verses renovation?

The current going rate for new construction in Homer is \$400 a square foot. The HERC is 16,800 square feet. That puts a new facility of similar size at \$6,720,000 plus design, contingency and site development, inspection, project management and 1% for the art which would add significantly to the total cost.

Klauder & Company estimated the cost of a complete renovation of the HERC at \$10,334,475 in 2012.

4) What are the actual costs to the city for the HERC building, minus the Maintenance Building costs?

Based on an analysis of previous year's budget and estimate's for 2018, HERC 2 (the maintenance building) accounts for about 25% of the costs associated with maintaining the property. This does not include any significant repairs.

5) Can we rent the space to tenants to cover some of the operational cost?

In the past the City has leased space to both the college and the Boys and Girls Club. Managing tenants would probably depend largely on a) capacity of the City to manage the facility; b) fire marshal approval taking into consideration the improvements that would be needed for a change of use versus the existing use and c) insurance requirements (listing the city as additionally insured on a tenants policy, for example).



City of Homer

www.cityofhomer-ak.gov

Office of the City Manager

491 East Pioneer Avenue
Homer, Alaska 99603

citymanager@cityofhomer-ak.gov

(p) 907-235-8121 x2222

(f) 907-235-3148

Memorandum 18-011

TO: Mayor Zak and Homer City Council
 FROM: Katie Koester, City Manager
 DATE: January 8, 2018
 SUBJECT: HERC 2016 participation, HERC 2017 schedule and potential tax revenues

The purpose of this memo is provide supplemental information to Council requested by Councilmember Stroozas regarding utilization of the Homer Education and Recreational Center (HERC).

How many participants use the HERC? The summary below represents the 2016 activity, and 2017 was similar. For example, although 2016 has youth soccer at the HERC which has now moved to the SPARC, the time slot and participants has been filled with youth basketball.

2016 HERC Statistics	Total Visits	Total Participants
Pickleball	3024	169
Gymnastics	975	58
Zumba	484	63
Zumba Youth	36	12
Morning Basketball	1444	301
Youth Soccer	1650	88
Playgroup	<u>250</u>	<u>45</u>
Total:	7863	736
By Week (/52)	151	

A snapshot of the weekly schedule (October 2017) shows 27 hours and 45 minutes of occupied time.

Sat. 10am-1pm	Pickleball		
Mon. 3:15pm-4:45pm	Youth Basketball	5pm-8pm	Pickleball
Tues. 4:00pm-5:30pm	Gymnastics	6pm-8pm	Pickleball
Wed. 3:15pm-4:45pm	Youth Basketball	5pm-8pm	Pickleball
Thurs. 3:45pm-5:30pm	Gymnastics	6pm-8pm	Pickleball
Fri. 3:15pm-4:45pm	Youth Basketball	5pm-8pm	Pickleball
Sat. 11am-1pm	Zumba	1:30pm-4:30pm	Pickleball

What would potential revenue be from the sale of the HERC? This is difficult to predict since there is no appraisal and the Borough has little incentive to spend time on assessing a tax exempt property. However, assume the property is worth only half of what the Borough has it assessed at, or \$2,362,350. At that value, the City would receive \$10,630 in property taxes. The Borough would receive an additional \$16,063

annually, not taking into account any exemptions the property owners may be eligible for or that they buyers may be tax exempt.

From: [Renee Krause](#)
To: [Katie Koester](#)
Cc: [Melissa Jacobsen](#)
Subject: FW: Vision of HERC property
Date: Tuesday, January 02, 2018 8:33:33 AM
Importance: High

In response to your request

From: Debra Lowney [mailto:dlowney@acsalaska.net]
Sent: Saturday, December 30, 2017 6:56 AM
To: Renee Krause <RKrause@ci.homer.ak.us>
Subject: Re: Vision of HERC property

Thanks Renee,

Sorry, I reread your request after I had written this. I wanted to make sure I addressed your request. I guess I missed the part about 1 sentence.

Deb

In reference to the HERC, I see two possibilities.

Option One - I would hope that in 1 - 10 years down the road the HERC develops into the recreational/educational hub of the community. Our gathering space! Our meeting space! Our conference space! I see this as the central location for students gathering after school for social activities, programs, and enrichments opportunities. I see the HERC as a centralized pick-up location for parents, and drop off location for buses. I see after work hours being filled by cross generational programs for community members as well as expanded recreational opportunities for adults and students. With expanded classroom and office space I also see this as a premium opportunity to centrally locate organizations reaching out to the community with recreational/educational opportunities. I would hope that in ten years we would have generated enough demand for the classroom and gymnasium space that there is talk of major upgrades and or expansion. Within this 10 year timeframe (hopefully sooner) I would like to see either a parks and recreation department working out of and managing this facility, or a fiscally responsible and self sustaining property management team managing this facility as a recreation/education facility for the community and the city engaging in a long term lease of the facility to them. Finding a workable/sustainable relationship will take some time but I would like to provide committed community members an opportunity to work with the city to determine and pursue the best financial and recreational option for the community.

Option Two - A combined Public Safety/Recreation facility at the HERC site. This is a bit more difficult for me to wrap my arms around, but only because I struggle to see how we would safely and logistically blend these two operations. I believe there would need to be distinct separation of facilities and of access points to the property as well as numerous safety concerns addressed specifically in reference to emergency response pathways and incarceration security. Otherwise I see

some advantages to a joint venture with these two entities. Many of the overall property management concerns might be addressed within a joint relationship.

I do ultimately believe that the best use of the property and the current HERC building is for recreation/education. I would be totally opposed to completely losing this space for that purpose, and unfortunately under Option Two I see the public safety building expanding into the whole facility in approximately 10 years. Unfortunately, if this were to occur, I would not see the community in a position financially to support building a new recreation/education complex to meet the communities needs. The lose to the recreational community would be devastating. The beauty of the current HERC facility is that is has a gymnasium and classroom facility. It is also my understanding that there is some flexibility for restructuring the classrooms on the east side for even a bit more versatility in usage. The kitchen space can be an added benefit lending itself to more options in terms of culinary classes and conferences or banquets. Worst case scenario it is converted to storage space.

In 10-20 years under Option One (hopefully sooner), I would hope that the community has generated enough user demand for this space that upgrades and expansions are taking place (expanded gym) and that we see a wide range of cross generational user groups providing a wide range of programs to the community throughout the day, seven days a week. I see a marriage between the HERC and the SPARC in terms of coordinating operations and providing convention, tournament, special events opportunities to organizations throughout the community, borough and state. I see this developing into a tourist attraction, the place to stop and get your information on what is available in and around the Homer area and across the bay in reference to recreation. As a community we have the potential to grow not only as a recreational hub, but also as an artist community. This facility offers opportunities for artists to expand there teaching opportunities on a much larger scale, reaching out to a larger audience.

When hiking through Scotland I stumbled into the small community of Kinlochleven. There we wandered into a facility called the Ice Factor, a rock climbing adventure facility that boasted its ice climbing wall, it's outdoor project adventure course, and it's multiple indoor climbing walls. Ralph and I had to check it out. We were greeted to a very welcoming facility that was a converted warehouse. Along with its extensive climbing/adventure venues, it also had a health food/drink bar that served all day and had a wonderful lounge area where residents gathered to snack, socialize and watch kids take on the adventure of their choice. It also had a first class restaurant in the upstairs corner open in the evenings. Kinlochleven is a community of about 1,000 people nested in the mountains of west/central Scotland. They had a vision, saw an opportunity with this old warehouse, and they made it happen. Today people travel from all over the world not just to train and experience the Ice Factor, but to participate in workshops and to partake in climbing expeditions centered out of this facility. I would like to see Homer dream. Dream about what could be and let's figure out how to make that happen.

Sent from my iPad



MEMORANDUM

**TO: MAYOR AND CITY COUNCIL MEMBERS
CITY OF HOMER**

FROM: HOLLY C. WELLS

RE: CITY ATTORNEY REPORT FOR THE LAST QUARTER OF 2017

FILE NO.: 506,742.24

DATE: DECEMBER 29, 2017

The following summarizes our most substantial activities as City Attorney during the last quarter of 2017.

City Council. I attended the September and December City Council meetings and advised the Council and City administration on various action items at those meetings, including providing guidance on a matter related to the billing errors impacting water and sewer utility payments.

City Manager. I worked with the City Manager to address numerous matters, including, but not limited to, issues related to the recall election, water and sewer utility payments, land use appeals and right-of-way issues, as well as personnel issues. Our team, including myself, Tom Klinkner, and Anmei Goldsmith worked with the City administration to negotiate a purchase and sale agreement between the City and the Alaska Mental Health Land Trust.

Additionally, Jack McKenna and I analyzed numerous land use questions submitted to City Manager Koester by Mr. Frank Griswold regarding the City's duties, obligations, and rights concerning various land matters. We have also prepared to provide the City Council, the public, and Mr. Griswold, if in attendance, responses to Mr. Griswold's concerns and explanations regarding the propriety of the City's land use management and policies.

Human Resources. Jennifer Alexander worked with the City Manager and the Human Resources Director on a personnel matter.

Litigation. Katie Davies, Tom Klinkner, and I worked on several cases pending before Alaska Supreme Court, including most notably the following:

Griswold v. Homer Board of Adjustment, John Smith, Norma Smith, Terry Yager, Jonnie Yager, Rick Abboud. This case is currently awaiting the Alaska Supreme Court's decision on appeal. On or about August 11, 2015, Frank Griswold appealed the Homer Board of Adjustment's decision upholding the decision of the Homer Advisory Planning Commission to approve a conditional use permit. Mr. Griswold argued, in part, that the City Attorney improperly postponed the hearing; that the Board erroneously determined Mr. Griswold did not have standing to challenge the conditional use permit; and that the Board improperly found that the mayor did not have a disqualifying bias. After oral and written argument before the Alaska Superior Court, that court upheld the Board's decision and ruled in favor of the City. On April 1, 2016, Mr. Griswold filed an appeal with the Alaska Supreme Court. As of this date, the briefing and the oral argument before the Alaska Supreme Court have been completed and the City is still awaiting a ruling. While we anticipated a ruling prior to the date of this report, one has not yet been issued.

Griswold v. Homer Board of Adjustment, Rick Abboud, Jose Ramos and Kenton Bloom. Frank Griswold is appealing the Homer Board of Adjustment's decision upholding the decision of the Homer Advisory Planning Commission to approve a conditional use permit. Mr. Griswold contends, in part, that the Planning Commission is not authorized to grant conditional use permits; that a City Planning Department employee improperly participated in the proceedings before the Planning Commission and the Board of Adjustment; and that several members of the Board of Adjustment should have been disqualified for having a conflict of interest or partiality. He also argued that the City Attorney should not have been permitted to represent the Board since Attorney Tom Klinkner had represented the Planning Commission.

After briefing and oral argument, the Superior Court dismissed Mr. Griswold's appeal on the basis that Mr. Griswold lacked standing to challenge the issuance of the conditional use permit. Mr. Griswold is now appealing the Superior Court's decision to the Alaska Supreme Court. As of this date, the briefing has been completed and oral argument will take place on February 14, 2018. If Mr. Griswold prevails before the Supreme Court, the case will be remanded to the Superior Court to issue a decision on the merits of Mr. Griswold's appeal.

I will be available to answer questions regarding these matters and any others at the January 8, 2018 Council meeting.

cc: Katie Koester
Melissa Jacobsen



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

Memorandum 18-007(S)

TO: MAYOR ZAK AND HOMER CITY COUNCIL

FROM: MELISSA JACOBSEN, MMC, CITY CLERK

DATE: JANUARY 8, 2017

SUBJECT: TRAVEL AUTHORIZATION FOR MAYOR ZAK AND COUNCILMEMBERS ADERHOLD AND ERICKSON TO ATTEND THE ALASKA MUNICIPAL LEAGUE/ALASKA CONFERENCE OF MAYORS WINTER LEGISLATIVE CONFERENCE HELD FEBRUARY 20-22, 2018 IN JUNEAU, AK

Mayor Zak and Councilmembers Aderhold and Erickson would like to attend the Alaska Municipal League/Alaska Conference of Mayors Winter Legislative Conference in Juneau, Alaska February 20-22, 2018.

The AML is a voluntary, nonprofit, nonpartisan, statewide organization of 140 cities, boroughs, and unified municipalities, representing over 97 percent of Alaska's residents. Originally organized in 1950, the League of Alaska Cities became the Alaska Municipal League in 1962 when boroughs joined the League.

Meetings include Alaska Conference of Mayors, AML Board, committees and meeting with Legislators.

Cost estimates for travel include round trip airfare from Homer to Juneau \$600 and room rates at \$149 per night. Per Diem is \$58 per day, for three meals. Conference cost is \$125.

