



# City of Homer

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## Memorandum 19-093

TO: Mayor Castner and Homer City Council  
FROM: Councilmembers Aderhold and Lord  
DATE: July 22, 2019  
SUBJECT: Needs and Future Plans for the Homer Education and Recreation Complex (HERC)

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The City issued a Request for Proposals (RFP) for the management, lease, and renovation of the HERC1 to explore public-private partnerships and lease arrangements for the property. The hope was to secure a long-term tenant willing to independently manage the facility and contribute to the HERC1's operating costs and capital needs. The RFP was open April 18<sup>th</sup> until June 24<sup>th</sup>, 2019 and no bids were received.

The HERC Task Force November 2018 Final Report's overall recommendation was to keep the HERC1 in warm status until November 2023, only extending the use of the existing lower level for recreational purposes with minimal use of the upper level. This five-year period would give the City and community time to pursue funding mechanisms for a determined use and come up with a long-term solution to the 60 year old building's "poor health." The Task Force limited their discussion regarding HERC2 to demolition only.

Given the lack of participation with the RFP, the City is again faced with decisions regarding HERC1 and Homer's needs related to indoor community space. Below are three issues Council needs to address based on the Task Force's 2018 Final Report and the Spring 2015 Parks, Arts, Recreation, and Culture Needs Assessment.

### 1) Meeting Homer's Recreation Needs

The Spring 2015 Parks, Arts, Recreation, and Culture Needs Assessment took a deep dive into the question of what the community needs for indoor recreation space. The final report identified 9 'Primary Tier Priorities' and 6 'Secondary Tier Priorities' needed in a future indoor facility however "*a multi-purpose community center facility was the most frequently identified need across providers, user groups, existing plans and the general public*" (pg. 55). These priorities may have changed since the community constructed the South Peninsula Athletic & Recreation Center (SPARC) after the Needs Assessment was completed.

According to the HERC Task Force's 2018 report, a 12,000 square foot building would be optimal for the community; the HERC1's current size (16,000 sq. ft.) is too large for the community's recreation needs.

Per Resolution 18-006, only the HERC1 gym and adjacent classroom space are currently used by community recreational programs that require minimal heat and utilities. This includes activities like martial arts, youth basketball, pickleball and zumba, which contribute ~\$14,700 in revenue annually according to the report.

2) Operating the HERC1 facility for 10 years at the expense of some much needed renovations

Based on the Task Force's Final Report, if the City elects to complete the HERC1's bare bones minimum renovation needs, it would cost approximately \$1.591 Million in the first five years. Keep in mind, this option would only extend the life of the building by 10 years and still requires demolition at the end of the 10<sup>th</sup> year. The renovations would, however, let the City provide limited additional services in the existing HERC1. Initially when the Task Force met, it was assumed the roof of the building could be hot mopped. Klauder & Associates determined this year that the entire roof needs to be replaced, which Public Works estimates at \$250,000. This is only the cost to replace the roof, and does not account for the additional structural improvements needed to support the improvement.

Overall, the Task Force emphasized if the City did choose to renovate the building, prompt action to address its deterioration is needed during the first 5 years following the report's publication (Nov. 2018-Nov. 2023).

3) Demolish the HERC1 at a set date and envision something new for the property

Every year the City delays either renovating or demolishing the HERC1, the costs to do either option increases. If the City elects to wait 5 years, allowing for current limited use to continue, and then demolish the HERC1, it would cost an estimated \$1.176 Million. This is because major structural improvements (like the roof) are needed soon regardless.

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The attached spreadsheet provides scenarios for operating HERC1 as is for 5 years with money put aside for demolition in year 6 and a preliminary rough order of magnitude estimate for extending the life of HERC 1 by 10 years with money put aside for demolition at the end of 10 years. To aid in the discussion surrounding meeting Homer's recreational needs, the spreadsheet also includes a potential option for setting money aside for the feasibility study for a new indoor facility. A preliminary feasibility study for a Multi-Use Community Center is outlined for 2022 per the City's 2019-2024 Capital Improvement Plan. The total cost for this phase of the project is estimated at \$500,000. If the City begins to set aside \$250,000 during the next two fiscal years, consider that seed money towards a new facility that can accommodate recreational needs.

**Questions for worksession discussion include the following:**

- 1) Are we on a path to demolish HERC1? If so, on what timeline?
- 2) Is it time to prioritize the Multi-Use Community Center that has been included in the CIP for >5 years? If so, what does that look like?

**Additional Resources:**

*Spring 2015 Parks, Arts, Recreation and Culture (Recreation and Culture) Needs Assessment*

[www.cityofhomer-ak.gov/sites/default/files/fileattachments/parks\\_and\\_recreation/page/7393/homer\\_parcs\\_needs\\_assessment\\_final.pdf](http://www.cityofhomer-ak.gov/sites/default/files/fileattachments/parks_and_recreation/page/7393/homer_parcs_needs_assessment_final.pdf)

-Available under the "Special Topics" section on the City Parks and Recreation webpage

*Nov. 2018 HERC Task Force: Final Recommendation Report*

[https://www.cityofhomer-ak.gov/sites/default/files/fileattachments/city\\_council/meeting/28781/herc\\_tf\\_final\\_report\\_11\\_30\\_18\\_high\\_res\\_-\\_copy.pdf](https://www.cityofhomer-ak.gov/sites/default/files/fileattachments/city_council/meeting/28781/herc_tf_final_report_11_30_18_high_res_-_copy.pdf)

-Available on the City Planning Department's main page

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2019-2024 CIP page Multi-Use Community Center, Phase 1

5 Year Operating and Capital Costs for HERC1 spreadsheet based on Nov. 2018 HERC Task Force Final Report