

Resolution 20-056

A Resolution of the City Council of Homer, Alaska Initiating a Seawall Improvement Special Assessment District for Armor Toe Improvements, Authorizing an Application for the Alaska Department of Environmental Conservation/Environmental Protection Agency Revolving Loan Fund, and Acknowledging the Immediate Need to Fund the Design and Permitting Process. City Manager.

Memorandum 20-072 from City Engineer as backup

Memorandum 20-073 from City Engineer as backup

Memorandum 20-074 from City Manager as backup

**CITY OF HOMER
HOMER, ALASKA**

City Manager

RESOLUTION 20-056

A RESOLUTION OF THE CITY COUNCIL OF HOMER, ALASKA, INITIATING A SEAWALL IMPROVEMENT SPECIAL ASSESSMENT DISTRICT FOR ARMOR TOE IMPROVEMENTS, AUTHORIZING AN APPLICATION FOR THE ALASKA DEPARTMENT OF ENVIRONMENTAL CONSERVATION/ENVIRONMENTAL PROTECTION AGENCY REVOLVING LOAN FUND, AND ACKNOWLEDGING THE IMMEDIATE NEED TO FUND THE DESIGN AND PERMITTING OF THE PROJECT.

WHEREAS, At the request of homeowners for the City's assistance, a seawall was engineered and constructed along the Ocean Drive Loop bluff in 2002 as an effort to mitigate erosion impacts to lots along the ocean bluff; and

WHEREAS, This effort began with the adoption of Resolution 00-89(A) finding a need to create the Ocean Drive Loop Bluff Erosion Control Improvement District; and

WHEREAS, Over the years regularly occurring winter storms with high tides and high winds have caused major storm damage to the seawall and resulted in the need for continued repair of the wall; and

WHEREAS, Emergency Ordinance 11-49(S) created the Ocean Drive Loop Special Service District (ODLSSD) to collect tax revenues from benefitted property owners to support maintenance and repair of the seawall, which they own and is located on their properties; and

WHEREAS, Emergency repairs to the seawall have to be performed on an emergency basis in order to prevent further damage and remain in compliance with the Army Corps of Engineers permit for the seawall; and

WHEREAS, In the most recent winter storms the seawall received significant damage that threatens the walls integrity with 20 of the 85 wood panels needing complete rebuild, and more frequent sink holes behind the wall indicate failure of the fiberglass sheet piling along the toe of the wall; and

WHEREAS, Upcoming winter storms with high winds and high tides may result in complete wall failure as explained in Memorandum 20-073; and

42 WHEREAS, The total tax revenues received from benefitted property owners range from
43 total \$25,000 to \$30,000 annually and don't sufficiently cover the increasing seawall
44 maintenance costs; and
45

46 WHEREAS, HDR, Inc. provided a technical review of the seawall and provided a Homer
47 Seawall Alternatives Analysis dated June, 27, 2019 that reviewed and provided concepts for
48 improving the structure to reduce maintenance costs and extend the functional life of the
49 structure, and indicated armor rock placement to protect the toe of the wall to be the most
50 practical and cost effective solution which the homeowners who attended the community
51 meetings in 2019 also agreed to as the best approach; and
52

53 WHEREAS, The creation of a Seawall Improvement Special Assessment District (SAD) for
54 the cost of placement of the armor rock was addressed at a worksession held May 18, 2020 and
55 financing for the armor rock may be available through a low interest Alaska Department of
56 Environmental Conservation (ADEC)/Environmental Protection Agency (EPA) revolving loan;
57 and
58

59 WHEREAS, Staff recommends the City apply for the ADEC/EPA loan as it is has a low
60 interest rate that would be otherwise difficult to secure from a private financing agency.
61 Acceptance of the ADEC/EPA Revolving Loan would be approved by Council through ordinance
62 at a future meeting and applying for consideration does not obligate the City to agree to the
63 loan; and
64

65 WHEREAS, The (ODLSSD) is responsible for generating maintenance funds through an
66 annually established mil rate, will remain in place to provide for long-term maintenance costs;
67 and
68

69 WHEREAS, Suggestions for expanding the Seawall Improvement SAD and the ODLSSD
70 to include other benefitted properties is addressed in Memorandum 20-074; and
71

72 WHEREAS, Through this resolution, Council will give the City authority to facilitate the
73 installation of armor rock protection through an expanded SAD and expand a special service
74 district to generate maintenance funds necessary to maintain the improvements with the City
75 paying a commiserate amount; and
76

77 WHEREAS, HCC 17.04.040(a)(1) authorizes the City Council by a vote of not less than
78 three fourths of its membership to initiate a SAD; and
79

80 WHEREAS, The City Council deems it necessary and in the best interest e to initiate a
81 SAD for the benefitted property owners along and within proximity to the seawall as identified
82 by the City Engineer, to provide necessary improvements to the seawall; and
83

84 WHEREAS, The Council finds there is a need for immediately initiating
85 design/permitting for the project due to anticipated impacts from upcoming winter storms
86 with high winds and high tides, and directs the City Manager to present an ordinance at the
87 next City Council meeting authorizing the expenditure of project costs using the remaining
88 balance of the mil rate deposits and the City's annual contribution (estimated at
89 approximately \$66,000); and
90

91 WHEREAS, HCC 17.04.040(c) provides that upon the Council's initiation of a special
92 assessment district the Clerk shall schedule a meeting of record owners of property in the
93 proposed district, and refer the proposed district to the City Manager for the preparation of an
94 improvement plan for the district; and
95

96 WHEREAS, The City has been facilitating maintenance of the wall, as required by the
97 Corps permit. If the property owners fail to create the Seawall Improvement SAD, based on the
98 increasing cost of maintenance, the City will not have the financial resources necessary to
99 continue maintaining the wall.
100

101 NOW THEREFORE, BE IT RESOLVED:
102

103 Section 1. Initiation of special assessment district. As authorized by HCC
104 17.04.040(a)(1), the Council hereby initiates the Seawall Improvement special assessment
105 district for Armored Toe Improvement on the seawall.
106

107 Section 2. Meeting of property owners; Improvement plan. The Clerk shall schedule
108 a meeting of record owners of real property in the proposed district in accordance with HCC
109 17.04.040(c)(1), and refer the proposed district to the City Manager for the preparation of an
110 improvement plan, as provided in HCC 17.04.040(c)(2).
111

112 Section 3. Effective date. This resolution shall become effective upon passage and
113 approval.
114

115 BE IT FURTHER RESOLVED the City Manager is authorized to apply for a low interest
116 ADEC/EPA revolving loan to finance the project and to be reimbursed by property owners
117 through the SAD.
118

119 BE IT FURTHER RESOLVED in recognizing the immediate need for design/permitting for
120 the project the City Manager is directed to present an ordinance at the next City Council
121 meeting authorizing the expenditure of project costs using the remaining balance of the mil
122 rate deposits and the City's annual contribution (estimated at approximately \$66,000).
123

124 PASSED AND ADOPTED by the Homer City Council this 8th day of June, 2020.
125

CITY OF HOMER

KEN CASTNER, MAYOR

ATTEST:

MELISSA JACOBSEN, MMC, CITY CLERK

Fiscal Note: Funding for design/permitting to come from 156-0369 and 808-0375



City of Homer

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Public Works

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(p) 907- 235-3170

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Memorandum 20-073

TO: Marvin Yoder, City Manager
FROM: Carey Meyer, City Engineer
DATE: May 28, 2020
SUBJECT: Seawall Alternatives

Seawall maintenance costs have been increasing. The special service district mil rate that funds this effort will need to be increased. The wall was battered this winter – significant damage threatens the wall's integrity. 20 of the 85 wood panels needs significant rebuild (cost approaching \$100,000). In addition, sinkholes behind the wall are more frequent, indicating failure of the fiberglass sheet piling along the toe.

Damage to the wall is a direct result of erosion at the bottom of the wall. Erosion of the toe exposes the fiberglass sheet pile (below the protective timber face). This makes it easier for wave forces to get behind the timber panels, breaking them and damaging the sheet pile. Holes in the sheet pile at the bottom of the wall allow material from behind the wall to escape. The wall is structurally supported by tie-rodged concrete blocks buried behind the wall. Protection the toe of the wall from erosion will significantly reduce maintenance costs and extend wall life.

This year's maintenance budget has been spent (approximately \$45,000). This will get us through the summer, but another winter like the last one, I fear, may very well result in complete wall failure.

The City has been looking at workable, affordable solutions. Protecting the toe of the wall with armor rock seems to be the most practical cost effective solution. Public Works has prepared a map, conceptual cost estimate, and spreadsheets (all attached) to help the Council and property owners evaluate what property is benefitted, how improvement/maintenance districts might be established, calculating potential assessments under each potential assessment method (for both construction of the armor rock improvements and the special service district funding long term maintenance).

Currently, the most realistic approach seems to be the creation of a special service district (SAD) for the cost of placement of the armor rock (administered by the City, assessment methods not yet determined); and a special service district for long-term maintenance costs (collected by the Borough similar to the existing SDD, mil rate not yet determined).

Financing for the armor rock placement has also not been determined; options being considered include direct City financing and use of low interest ADEC/EPA revolving loan funds.

The following is a brief introduction to the maps, cost estimates, and spreadsheets attached:

The **map** shows historical erosion, projected erosion, lots potentially impacted by erosion as defined in the Coastal Erosion Study (updated in 2006). The map shows potential expanded special assessment/service district boundaries. The map shows more lots than those immediately behind the wall that benefit from the wall (i.e. - loss of Krueth Way eliminates road access and utilities serving several lots). Lots shaded beige are properties that currently contribute to seawall maintenance; lots shaded blue are properties that one could argue also benefit from the existence of the seawall.

Conceptual Cost Estimate shows the estimated cost of placing armor rock (as defined in the HDR memo) that evaluated alternative methods of protecting the toe of the wall from erosion. This cost reflects discussions with local contractors (that complete this type of work using rock produced from across the Bay).

Spreadsheet #1 Seawall SAD Analysis – Current District Members Only reflects physical characteristics of lots that currently remain in the original district; and potential assessment costs (under several assessment methodologies) for a \$1.47M armor rock improvement.

Spreadsheet #2 Seawall Special Assessment District (SAD) – Armored Toe Improvement reflects the physical characteristics of each of the lots potentially benefitted by the seawall; and estimates assessments (for a \$1.47M project) under several different assessment methods.

Spreadsheet #3 Seawall Overall Assessment Analysis reflects the KPB tax value of each of the lots potentially benefitted by seawall (**blue** columns), and calculates in the **orange** column, 1) total annual assessments (for both rock placement and maintenance) if only those lots that are located directly behind the wall are included (base on equal share assessments for rock placement), and 2) the same for an expanded district (**green** columns).

#1 SEAWALL SPECIAL ASSESSMENT DISTRICT (SAD) ANALYSIS - Current District Members Only

EST. ARMOR ROCK IMPROVEMENT COST = \$1,474,824

				LOT CHARACTERISTICS							ALTERNATIVE ASSESSMENTS METHODS				
PARCEL ID	KPB PARCEL_ID	LOT ADDRESS	OWNER	DIRECT WALL FRONTAGE (LF)	KPB LAND VALUE	KPB STRUCTURE VALUE	TOTAL ASSESSED VALUE	TAXABLE VALUE	LOT AREA (SF)	BENEFITTED LOT AREA (SF)	DIRECT WALL FRONTAGE	KPB PROPRTY VALUE	LOT AREA	BENIFITTED LOT AREA	EQUAL SHARE
A	17718019	829 OCEAN DRIVE LOOP	NEWBY REVOCABLE TRUST	200	\$ 127,200	\$ 325,500	\$ 452,700	\$ 102,700	50,682	39,500	\$180,407	\$185,222	\$157,056.65	\$233,891	\$105,344.57
B	17718016	869 OCEAN DRIVE LOOP	SZAJKOWSKI JOHN J & JANET L	100	\$ 120,900	\$ 366,800	\$ 487,700	\$ 137,700	25,329	18,719	\$90,203	\$199,543	\$78,491.14	\$110,841	\$105,344.57
			HOMER CITY OF	30	TBD		TBD	TBD	TBD	TBD	\$27,061	TBD	TBD	TBD	TBD
C	17717701	895 OCEAN DRIVE LOOP	HUEPER MARILYN	110	\$ 117,000	\$ 461,500	\$ 578,500	\$ 528,500	25,679	17,122	\$99,224	\$236,694	\$79,575.74	\$101,384	\$105,345
D	17717702	917 OCEAN DRIVE LOOP	NORMAN W SCHUMACHER TRUST	115	\$ 64,600	\$ 118,900	\$ 183,500	\$ 183,500	26,568	10,582	\$103,734	\$75,079	\$82,330.63	\$62,659	\$105,345
E	17717703	939 OCEAN DRIVE LOOP	IRWIN PATRICK L	100	\$ 53,700	\$ 71,900	\$ 125,600	\$ 75,600	27,411	7,209	\$90,203	\$51,389	\$84,942.98	\$42,687	\$105,345
F	17717704	957 OCEAN DRIVE LOOP	PFEFFER MARK E REVOCABLE TRUST	100	\$ 44,900	\$ 1,500	\$ 46,400	\$ 46,400	28,247	6,128	\$90,203	\$18,985	\$87,533.63	\$36,286	\$105,345
G	17717705	979 OCEAN DRIVE LOOP	ABBOTT FINDLAY	100	\$ 31,900	\$ 1,500	\$ 33,400	\$ -	29,075	5,310	\$90,203	\$13,666	\$90,099.49	\$31,442	\$105,345
H	17717706	997 OCEAN DRIVE LOOP	HOMER CITY OF	100	\$ 2,100	\$ -	\$ 2,100	\$ -	29,977	3,414	\$90,203.30	\$859	\$92,894.66	\$20,215	\$105,345
I	17717707	1017 OCEAN DRIVE LOOP	HOMER CITY OF	100	\$ 2,600	\$ -	\$ 2,600	\$ -	42,759	5,500	\$90,203.30	\$1,064	\$132,504.35	\$32,567	\$105,345
			HOMER CITY OF	60	TBD		TBD	TBD	TBD	TBD	\$54,121.98	TBD	TBD	TBD	TBD
J	17717904	3102 LAKE ST	JUMP CHARLENE A	100	\$ 106,000	\$ 148,300	\$ 254,300	\$ -	30,555	12,735	\$90,203.30	\$104,047	\$94,685.81	\$75,408	\$105,345
K	17717903	1065 KRUETH WAY	GOODE LARRY JACK LIVING TRUST	140	\$ 111,500	\$ 405,100	\$ 516,600	\$ 516,600	37,135	13,948	\$126,284.62	\$211,367	\$115,076.33	\$82,590	\$105,345
L	17923036	1103 KRUETH WAY	KING LAWRENCE A	130	\$ 96,700	\$ 320,700	\$ 417,400	\$ 417,400	56,319	56,319	\$117,264.29	\$170,779	\$174,524.95	\$333,482	\$105,345
M	17923026	1121 SEA BREEZE CT	FRANKLIN CAMARRON JAY	75	\$ 73,200	\$ 181,400	\$ 254,600	\$ 254,600	17,180	15,890	\$67,652.48	\$104,170	\$53,238.49	\$94,089	\$105,345
N	17923028	1137 SEA BREEZE CT	LAWER DAVID A	75	\$ 94,000	\$ 155,200	\$ 249,200	\$ 249,200	49,008	36,695	\$67,652.48	\$101,960	\$151,869.15	\$217,282	\$105,345
				1,635	\$ 1,046,300	\$ 2,558,300	\$ 3,604,600	\$ 2,512,200	475,924	249,071	\$ 1,474,824	\$ 1,474,824	\$ 1,474,824	\$ 1,474,824	\$ 1,474,824

#2 SEAWALL SPECIAL ASSESSMENT DISTRICT (SAD) ANALYSIS - ARMORED TOE IMPROVEMENT

EST. ARMOR ROCK IMPROVEMENT COST = \$1,474,824

				LOT CHARACTERISTICS								ALTERNATIVE ASSESSMENTS METHODS					
PARCEL ID	KPB PARCEL_ID	LOT ADDRESS	OWNER	DIRECT WALL FRONTAGE (LF)	KPB LAND VALUE	KPB STRUCTURE VALUE	TOTAL ASSESSED VALUE	TAXABLE VALUE	LOT AREA (SF)	BENEFITTED LOT AREA (SF)	% TIERED BENEFIT	DIRECT WALL FRONTAGE	KPB PROPRTY VALUE	LOT AREA	BENIFITTED LOT AREA	TIERED BENEFIT	EQUAL SHARE
A	17718019	829 OCEAN DRIVE LOOP	NEWBY REVOCABLE TRUST	200	\$ 127,200	\$ 325,500	\$ 452,700	\$ 102,700	50,682	39,500	100	\$190,916	\$107,185	\$102,738	\$122,101	\$71,943	\$56,724
B	17718016	869 OCEAN DRIVE LOOP	SZAJKOWSKI JOHN J & JANET L	100	\$ 120,900	\$ 366,800	\$ 487,700	\$ 137,700	25,329	18,719	100	\$95,458	\$115,471	\$51,345	\$57,864	\$71,943	\$56,724
C	17717701	895 OCEAN DRIVE LOOP	HUEPER MARILYN	110	\$ 117,000	\$ 461,500	\$ 578,500	\$ 528,500	25,679	17,122	100	\$105,004	\$136,970	\$52,054	\$52,927	\$71,943	\$56,724
D	17717702	917 OCEAN DRIVE LOOP	NORMAN W SCHUMACHER TRUST	115	\$ 64,600	\$ 118,900	\$ 183,500	\$ 183,500	26,568	10,582	100	\$109,777	\$43,447	\$53,856	\$32,711	\$71,943	\$56,724
E	17717703	939 OCEAN DRIVE LOOP	IRWIN PATRICK L	100	\$ 53,700	\$ 71,900	\$ 125,600	\$ 75,600	27,411	7,209	100	\$95,458	\$29,738	\$55,565	\$22,284	\$71,943	\$56,724
F	17717704	957 OCEAN DRIVE LOOP	PFEFFER MARK E REVOCABLE TRUST	100	\$ 44,900	\$ 1,500	\$ 46,400	\$ 46,400	28,247	6,128	100	\$95,458	\$10,986	\$57,260	\$18,943	\$71,943	\$56,724
G	17717705	979 OCEAN DRIVE LOOP	ABBOTT FINDLAY	100	\$ 31,900	\$ 1,500	\$ 33,400	\$ -	29,075	5,310	100	\$95,458	\$7,908	\$58,938	\$16,414	\$71,943	\$56,724
H	17717706	997 OCEAN DRIVE LOOP	HOMER CITY OF	100	\$ 2,100	\$ -	\$ 2,100	\$ -	29,977	3,414	100	\$95,458	\$497	\$60,767	\$10,553	\$71,943	\$56,724
I	17717707	1017 OCEAN DRIVE LOOP	HOMER CITY OF	100	\$ 2,600	\$ -	\$ 2,600	\$ -	42,759	5,500	100	\$95,458	\$616	\$86,677	\$17,001	\$71,943	\$56,724
J	17717904	3102 LAKE ST	JUMP CHARLENE A	100	\$ 106,000	\$ 148,300	\$ 254,300	\$ -	30,555	12,735	100	\$95,458	\$60,210	\$61,939	\$39,366	\$71,943	\$56,724
K	17717903	1065 KRUETH WAY	GOODE LARRY JACK LIVING TRUST	140	\$ 111,500	\$ 405,100	\$ 516,600	\$ 516,600	37,135	13,948	100	\$133,641	\$122,314	\$75,277	\$43,116	\$71,943	\$56,724
L	17923036	1103 KRUETH WAY	KING LAWRENCE A	130	\$ 96,700	\$ 320,700	\$ 417,400	\$ 417,400	56,319	56,319	100	\$124,095	\$98,827	\$114,165	\$174,091	\$71,943	\$56,724
M	17923026	1121 SEA BREEZE CT	FRANKLIN CAMARRON JAY	75	\$ 73,200	\$ 181,400	\$ 254,600	\$ 254,600	17,180	15,890	100	\$71,593	\$60,281	\$34,826	\$49,119	\$71,943	\$56,724
N	17923028	1137 SEA BREEZE CT	LAWER DAVID A	75	\$ 94,000	\$ 155,200	\$ 249,200	\$ 249,200	49,008	36,695	100	\$71,593	\$59,002	\$99,345	\$113,430	\$71,943	\$56,724
O	17923029	1143 SEA BREEZE CT	LAWER DAVID A & BETSY		\$ 99,100	\$ 452,700	\$ 551,800	\$ 551,800	46,649	28,273	50		\$130,648	\$94,563	\$87,397	\$35,971	\$56,724
P	17923030		LAWER CHILDRENS TRUST		\$ 37,600	\$ -	\$ 37,600	\$ 37,600	13,510	13,510	50		\$8,902	\$27,386	\$41,762	\$35,971	\$56,724
Q	17923033	1136 SEA BREEZE CT	LAWER SARAH 2012 TRUST		\$ 62,800	\$ 145,300	\$ 208,100	\$ 208,100	25,035	25,035	50		\$49,271	\$50,749	\$77,387	\$35,971	\$56,724
R	17923027	1120 SEA BREEZE CT	LAWER SARAH 2012 TRUST		\$ 31,300	\$ 1,500	\$ 32,800	\$ 32,800	15,726	15,726	50		\$7,766	\$31,878	\$48,612	\$35,971	\$56,724
S	17717807		SCHEFFEL TIM		\$ 42,400	\$ -	\$ 42,400	\$ 42,400	21,504	21,504	50		\$10,039	\$43,591	\$66,472	\$35,971	\$56,724
T	17717808	1054 KRUETH WAY	MATTHEWS KELLY E		\$ 38,200	\$ 455,100	\$ 493,300	\$ 443,300	14,294	14,294	50		\$116,797	\$28,976	\$44,185	\$35,971	\$56,724
U	17717614	3119 LAKE ST	TALBOTT JOSEPH C		\$ 58,200	\$ 210,700	\$ 268,900	\$ -	15,539	15,539	50		\$63,667	\$31,499	\$48,034	\$35,971	\$56,724
V	17717615	1002 OCEAN DRIVE LOOP	JAMES HARRY W		\$ 59,100	\$ 223,700	\$ 282,800	\$ -	16,096	16,096	50		\$66,958	\$32,628	\$49,755	\$35,971	\$56,724
W	17717616	984 OCEAN DRIVE LOOP	SOTELO ED		\$ 46,300	\$ -	\$ 46,300	\$ 46,300	30,038	30,038	50		\$10,962	\$60,891	\$92,852	\$35,971	\$56,724
X	17717610	964 OCEAN DRIVE LOOP	O'CONNOR ABIGAIL		\$ 37,900	\$ 19,100	\$ 57,000	\$ 57,000	13,942	13,942	50		\$13,496	\$28,262	\$43,097	\$35,971	\$56,724
Y	17717611	946 OCEAN DRIVE LOOP	HAAS ANDREW H		\$ 37,900	\$ 166,900	\$ 204,800	\$ 154,800	13,942	13,942	50		\$48,490	\$28,262	\$43,097	\$35,971	\$56,724
Z	17718013	811 OCEAN DRIVE LOOP	RENNER MARTIN		\$ 117,300	\$ 281,300	\$ 398,600	\$ 338,600	25,349	20,139	100		\$94,375	\$51,385	\$62,253	\$71,943	\$56,724
				1,545	\$ 1,597,100	\$ 4,233,300	\$ 5,830,400	\$ 4,086,300	702,199	477,109		\$ 1,474,824	\$ 1,474,824	\$ 1,474,824	\$ 1,474,824	\$ 1,474,824	\$ 1,474,824

#3 SEAWALL OVERALL ASSESSMENT ANALYSIS

EST. ARMOR ROCK IMPROVEMENT COST = \$1,474,824

				LOT CHARACTERISTICS				ASSESSMENT SCENARIOS - Equal Share Assessment							
PARCEL ID	KPB PARCEL ID	LOT ADDRESS	OWNER	KPB LAND VALUE	KPB STRUCTURE VALUE	TOTAL ASSESSED VALUE	TAXABLE	CURRENT DISTRICT BOUNDARY				POTENTIAL EXPANDED DISTRICT BOUNDARY			
								TOTALSAD SHARE ASSESSMENT (ARMOR ROCK TOE)	EQUAL SHARE ASSESSMENT (ARMOR ROCK TOE) 30 YRS @ 2%	ANNUALSSD ASSESSMENT (20 MIL) FOR MAINTENANCE	TOTALANNUAL ASSESSMENT (ROCK + MAINTENANCE)	TOTALSAD SHARE ASSESSMENT (ARMOR ROCK TOE)	EQUAL SHARE ASSESSMENT (ARMOR ROCK TOE) 30 YRS @ 2%	ANNUALSSD ASSESSMENT (6 MIL) FOR MAINTENANCE	TOTALANNUAL ASSESSMENT (CONST + MAINTENANCE)
A	17718019	829 OCEAN DRIVE LOOP	NEWBY REVOCABLE TRUST	\$ 127,200	\$ 325,500	\$ 452,700	\$ 102,700	\$105,345	\$4,704	\$2,054	\$6,758	\$56,724	\$2,533	\$616	\$3,149
B	17718016	869 OCEAN DRIVE LOOP	SZAJKOWSKI JOHN J & JANET L	\$ 120,900	\$ 366,800	\$ 487,700	\$ 137,700	\$105,344.57	\$4,704	\$2,754	\$7,458	\$56,724	\$2,533	\$826	\$3,359
C	17717701	895 OCEAN DRIVE LOOP	HUEPER MARILYN	\$ 117,000	\$ 461,500	\$ 578,500	\$ 528,500	\$105,344.57	\$4,704	\$10,570	\$15,274	\$56,724	\$2,533	\$3,171	\$5,704
D	17717702	917 OCEAN DRIVE LOOP	2016 NORMAN W SCHUMACHER REVOCABLE TRUST	\$ 64,600	\$ 118,900	\$ 183,500	\$ 183,500	\$105,344.57	\$4,704	\$3,670	\$8,374	\$56,724	\$2,533	\$1,101	\$3,634
E	17717703	939 OCEAN DRIVE LOOP	IRWIN PATRICK L	\$ 53,700	\$ 71,900	\$ 125,600	\$ 75,600	\$105,344.57	\$4,704	\$1,512	\$6,216	\$56,724	\$2,533	\$454	\$2,986
F	17717704	957 OCEAN DRIVE LOOP	PFEFFER MARK E REVOCABLE TRUST	\$ 44,900	\$ 1,500	\$ 46,400	\$ 46,400	\$105,344.57	\$4,704	\$928	\$5,632	\$56,724	\$2,533	\$278	\$2,811
G	17717705	979 OCEAN DRIVE LOOP	ABBOTT FINDLAY	\$ 31,900	\$ 1,500	\$ 33,400	\$ -	\$105,345	\$4,704	\$0	\$4,704	\$56,724	\$2,533	\$0	\$2,533
H	17717706	997 OCEAN DRIVE LOOP	HOMER CITY OF	\$ 2,100	\$ -	\$ 2,100	\$ -	\$105,345	\$4,704	\$0	\$4,704	\$56,724	\$2,533	\$0	\$2,533
I	17717707	1017 OCEAN DRIVE LOOP	HOMER CITY OF	\$ 2,600	\$ -	\$ 2,600	\$ -	\$105,345	\$4,704	\$0	\$4,704	\$56,724	\$2,533	\$0	\$2,533
J	17717904	3102 LAKE ST	JUMP CHARLENE A	\$ 106,000	\$ 148,300	\$ 254,300	\$ -	\$105,345	\$4,704	\$0	\$4,704	\$56,724	\$2,533	\$0	\$2,533
K	17717903	1065 KRUETH WAY	GOODE LARRY JACK LIVING TRUST	\$ 111,500	\$ 405,100	\$ 516,600	\$ 516,600	\$105,345	\$4,704	\$10,332	\$15,036	\$56,724	\$2,533	\$3,100	\$5,632
L	17923036	1103 KRUETH WAY	KING LAWRENCE A	\$ 96,700	\$ 320,700	\$ 417,400	\$ 417,400	\$105,345	\$4,704	\$8,348	\$13,052	\$56,724	\$2,533	\$2,504	\$5,037
M	17923026	1121 SEA BREEZE CT	FRANKLIN CAMARRON JAY	\$ 73,200	\$ 181,400	\$ 254,600	\$ 254,600	\$105,345	\$4,704	\$5,092	\$9,796	\$56,724	\$2,533	\$1,528	\$4,060
N	17923028	1137 SEA BREEZE CT	LAWER DAVID A	\$ 94,000	\$ 155,200	\$ 249,200	\$ 249,200	\$105,345	\$4,704	\$4,984	\$9,688	\$56,724	\$2,533	\$1,495	\$4,028
O	17923029	1143 SEA BREEZE CT	LAWER DAVID A & BETSY	\$ 99,100	\$ 452,700	\$ 551,800	\$ 551,800					\$56,724	\$2,533	\$3,311	\$5,844
P	17923030		CUDDY JANE TRUSTEE LAWER CHILDRENS TRUST	\$ 37,600	\$ -	\$ 37,600	\$ 37,600					\$56,724	\$2,533	\$226	\$2,758
Q	17923033	1136 SEA BREEZE CT	LAWER SARAH 2012 IRREVOCABLE TRUST	\$ 62,800	\$ 145,300	\$ 208,100	\$ 208,100					\$56,724	\$2,533	\$1,249	\$3,781
R	17923027	1120 SEA BREEZE CT	LAWER SARAH 2012 IRREVOCABLE TRUST	\$ 31,300	\$ 1,500	\$ 32,800	\$ 32,800					\$56,724	\$2,533	\$197	\$2,730
S	17717807		SCHEFFEL TIM	\$ 42,400	\$ -	\$ 42,400	\$ 42,400					\$56,724	\$2,533	\$254	\$2,787
T	17717808	1054 KRUETH WAY	MATTHEWS KELLY E	\$ 38,200	\$ 455,100	\$ 493,300	\$ 443,300					\$56,724	\$2,533	\$2,660	\$5,193
U	17717614	3119 LAKE ST	TALBOTT JOSEPH C	\$ 58,200	\$ 210,700	\$ 268,900	\$ -					\$56,724	\$2,533	\$0	\$2,533
V	17717615	1002 OCEAN DRIVE LOOP	JAMES HARRY W	\$ 59,100	\$ 223,700	\$ 282,800	\$ -					\$56,724	\$2,533	\$0	\$2,533
W	17717616	984 OCEAN DRIVE LOOP	SOTELO ED	\$ 46,300	\$ -	\$ 46,300	\$ 46,300					\$56,724	\$2,533	\$278	\$2,811
X	17717610	964 OCEAN DRIVE LOOP	O'CONNOR ABIGAIL	\$ 37,900	\$ 19,100	\$ 57,000	\$ 57,000					\$56,724	\$2,533	\$342	\$2,875
Y	17717611	946 OCEAN DRIVE LOOP	HAAS ANDREW H	\$ 37,900	\$ 166,900	\$ 204,800	\$ 154,800					\$56,724	\$2,533	\$929	\$3,462
Z	17718013	811 OCEAN DRIVE LOOP	RENNER MARTIN	\$ 117,300	\$ 281,300	\$ 398,600	\$ 338,600					\$56,724	\$2,533	\$2,032	\$4,564
				\$ 1,597,100	\$ 4,233,300	\$ 5,830,400	\$ 4,086,300	\$1,474,824	\$65,851	\$50,244		\$1,418,100	\$65,851	\$26,549	

Seawall - Armor Rock Toe Protection

Conceptual Cost Estimate

5/28/2020

Assumptions:

Wall length = 1700 LF

Filter rock (type 2) = 75 lbs to 300 lbs (200 lb average)

Armor Stone (type 3) = 750 lb to 2250 lb (1500 lb average)

Armor Stone (type 4) = 1000 lb to 3000 lb (2000 lb average)

25% of armor rock is type 3; 75% of armor rock is type 4

Item of Work	Quantity	Quantity Unit	Unit Price	Item Cost
Mobilization/Demobilization	1	LS	\$20,000	\$20,000
Geotextile Fabric	4,722	SY	\$6	\$28,333
F&I Filter Stone (Type 2)	7,064	Tons	\$70	\$494,511
F&I Primary Armor Stone (Type 3)	1,704	Tons	\$85	\$144,821
F&I Primary Armor Stone (Type 4)	6,609	Tons	\$105	\$693,902

Total Construction

\$1,381,568

Design

\$69,078

Permitting

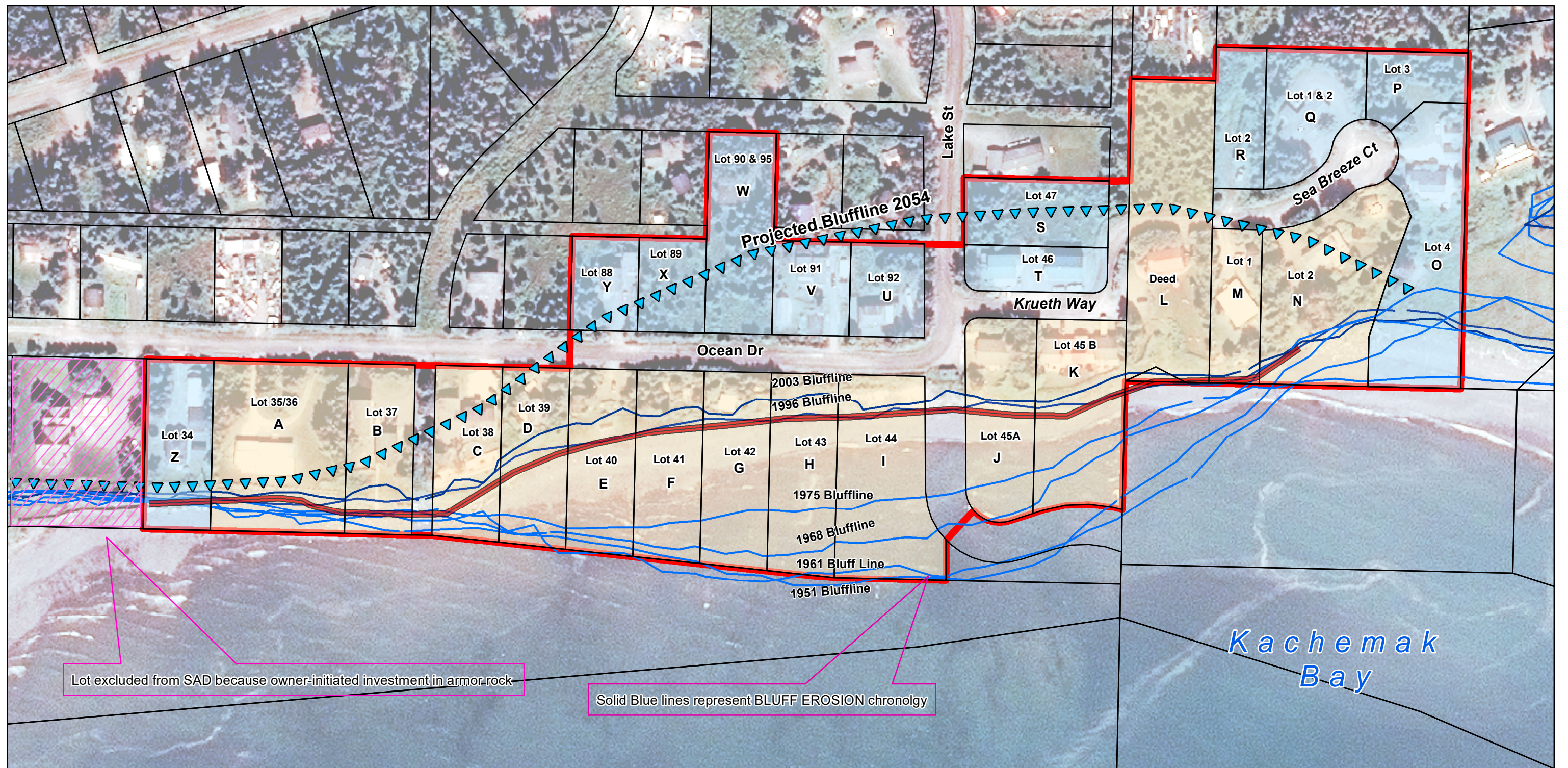
\$10,362

Inspection

\$13,816

Total Project Cost

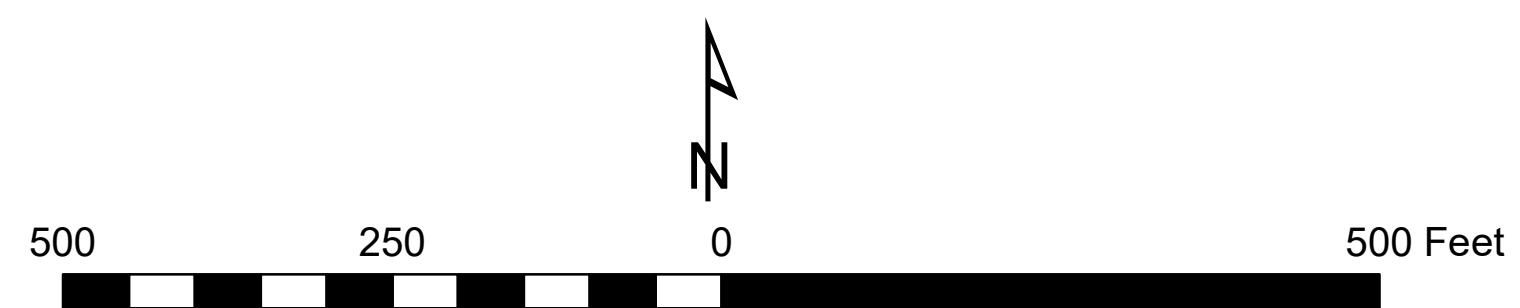
\$1,474,824



Legend

- ▲ ▲ ▲ Projected Bluffline 2054
- Seawall - Sheet Pile
- Original Construction LID
- Other Parcels Benefiting
- Potential SAD District Boundary

POTENTIAL SEAWALL SPECIAL ASSESSMENT/SERVICE DISTRICT MAP



DEPT OF PUBLIC WORKS
March 11, 2020

Disclaimer:
It is expressly understood the City of Homer, its council, board, departments, employees and agents are not responsible for any errors or omissions contained herein, or deductions, interpretations or conclusions drawn therefrom.



City of Homer

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Public Works

3575 Heath Street
Homer, AK 99603

publicworks@cityofhomer-ak.gov

(p) 907-235-3170

(f) 907-235-3145

Memorandum 20-072

TO: Marvin Yoder, City Manager
FROM: Carey Meyer, City Engineer
DATE: May 11, 2020
SUBJECT: Seawall Failure Concerns

Rigid (steel) sheet piling is typically driven into the ground to a depth that allows it to support itself and resists loads applied from behind the wall (and in the case of a seawall wave forces from the front).

Our seawall was designed to utilize less rigid piling and tie-rods connected to concrete blocks (sometimes called dead men) buried behind the wall to provide the additional support necessary. See attached drawing. The blocks are tie-rodged to the wall. This tie-rod technique is used successfully in many civil engineering applications.

The vulnerability of this technique is that loss of the backfill in which the tie-rodged concrete “dead men” block is buried can result in the loss of structural support of the wall. As long as the wall protects the material behind the wall, the concrete blocks will continue to provide wall support.

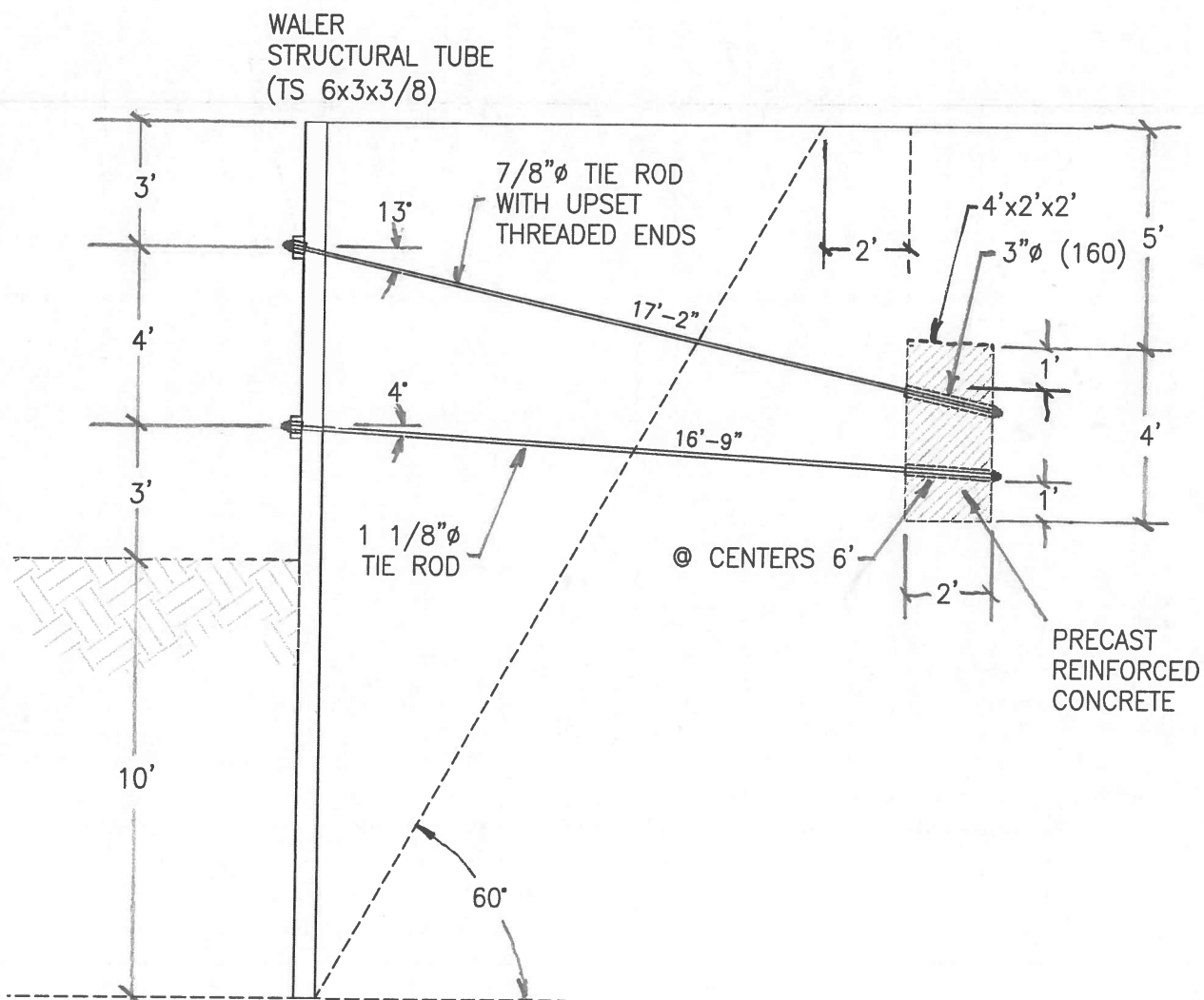
Since the wall was backfilled with dredge spoils (sand), this material is very erodible.

The fear that I have expressed (regarding complete failure of the wall) stems from the potential that should a section of wall be punctured (most probable during a significant winter storm), material from behind the punctured wall section would begin eroding away. This would expose and undermine the concrete block and eliminate support of that wall section.

Once one wall section was lost, material behind the adjacent wall section would begin to erode, exposing and undermining its dead man concrete block, removing structural support of the adjacent wall section. This would trigger the loss of the adjacent wall section and this would domino down the wall, potentially taking out the entire wall. In a storm this would happen very quickly.

Why is this important now? An inspection in April determined that 20 of the 85 wood panels that protect the sheet piling from damage needs significant rebuild (cost approaching \$100,000). In addition, sinkholes behind the wall are more frequent, indicating puncturing of the fiberglass sheet piling. The sheet piling behind one wood panel has experience significant damage this last winter and is particularly susceptible to the type of wall failure described above.

This year’s allocated maintenance budget has been spent (approximately \$45,000), make necessary repairs between January 1 and April 30.



C:\PhukanLogo.jpg

Civil Geotechnical
Surveying Environmental
Construction Materials Testing
2702 Gambell Street, Suite 201
Anchorage, Alaska, 99503
Tele: (907) 272-7111 Fax: (907) 277-3177
Email: pcarle@alaska.net

DATE	12/11/01
SCALE	1/4" = 1'-0"
FILE NAME	FIG-DRAFT
JOB NO.	01965.1

FIGURE 1

EROSION CONTROL PROJECT
HOMER, AK



City of Homer

www.cityofhomer-ak.gov

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(f) 907-235-3148

Memorandum 20-074

TO: Mayor Castner and Homer City Council
FROM: Marvin Yoder, Interim City Manager
DATE: June 3, 2020
SUBJECT: Follow-up to May 18, 2020 Seawall Worksession

At the May 18 worksession, Council requested staff answer the first two questions posed in City Engineer Meyer's 14 memo as well as additional follow-up questions. Below provides responses compiled by staff in Administration, the Clerk's Office, Public Works, and Finance. Prompt response from homeowners and Council is required in order for the installation of armor stone to occur this year. Otherwise, the Seawall in its current form must be reinforced before the winter storms hit.

From May 14 memo - 1) Does Council wish to consider and have staff evaluate expanding the ODLA to incorporate properties receiving indirect benefit from the Seawall as demonstrated by the Coastal Erosion Study?

Council requested staff address this question. City Engineer Meyer has provided this information in his June 3 memo that includes a map and associated spreadsheets for review.

From May 14 memo - 2) What is the will of City Council to install the proposed Seawall Armor Rock improvements (estimated at \$1.5M - 2.1M) with City financing that would create a new special assessment district (also known as a local improvement district)?

Staff have received mixed responses from Councilmembers regarding their interest in the City financing the Seawall's improvements itself. An alternative suggested by staff is Council granting authority for the City to pursue an Alaska Department of Environmental Conservation/Environmental Protection Agency revolving loan which has a low interest rate that otherwise would be difficult to secure with private financing. The benefit to the City using its own financing for this project is there would be no interest rate or the City could potentially establish a low interest rate to the SAD for borrowing funds from the City to construct the improvement, however City financing would require obligating public dollars for this project. Private financing would most likely have a higher interest rate, adding cost to the project.

Insuring the Seawall

In the fall of 2019, staff contacted the Alaska Municipal League Joint Insurance Association to follow up on homeowners' requests to see if the City's insurance would consider covering the Seawall again. Below is the response received from AMLJIA'S Executive Director Kevin Smith:

"Originally, I worked with Walt Wrede on this issue when Homer first built the Seawall for the neighborhood/district. Until we had losses, I was unclear that the ownership was not the city's, as Rachel

points out in her email below. As [Alaska Statute 21.76.010 \(a\)](#) spells out, the AMLJIA can only cover “Municipalities and their public corporations, city and borough school districts, and regional educational attendance areas” for risks to the participants on a group basis. Our interpretation has long been that pooling is not allowed for private individual homeowners, Native corporations, or others that, albeit lucrative, would not satisfy a strict reading of state law. For this reason, the AMLJIA declines to cover the sea wall.”

Clarity on How an Assessment District Gets Set Up

Per HCC 17.02.040 Initiation of special assessment district:

a. A special assessment district may be initiated by:

1. A resolution, initiated by a Council member, the City Manager, or through the developer reimbursement application process set forth in this title and approved by a vote of not less than three-fourths of Council; or
2. A petition signed by 50 percent of the total record owners who receive notice from the City Clerk’s office that they will be assessed a portion of the costs of a single capital improvement.

Staff to present how a SAD would work for the Seawall - Staff will be pulling together an outline of a possible SAD process for a shoreline stabilization/seawall protection project, including: an improvement plan that further nails down and details costs, a proposed district (see above notes/questions on impacted properties), several allocation methods with detailed fiscal impacts (similar to what Carey provided in tonight's packet), and a memo outlining the process for notification and what is required to move forward.

Please see the attachments provided in City Engineer Meyer’s June 3 memo. This includes the map, spreadsheets, cost estimate, and timeline enclosure. City Clerk Jacobsen outlines the process for notification and what is required to move forward below (this process is also briefly explained in Resolution 20-056):

If Council adopts Resolution 20-056 to initiate the SAD by a vote of not less than three-fourths the City Clerk shall:

- Schedule a neighborhood meeting for owners of real property in the proposed district, properly notice the meeting by mail and newspaper advertisement, and
- Refer the district to the Public Works director who shall prepare an improvement plan to be provided at the neighborhood meeting as outlined in HCC 17.02.040(c)(2)
- Set a time for a public hearing on the necessity of the improvements and proposed improvement plan and mail notices not less than 60 days before the hearing
- A record property owner in the proposed district may file a written objection to the plan no later than the day before the date of the public hearing of the improvement plan
- If owners of real property that would bear 50 percent or more of the assessed cost of the improvement file timely written objections, the Council may not proceed with the improvement unless it revises the improvement plan to reduce the assessed cost of the improvement that is borne by objecting record owners to less than 50 percent of the assessed cost of the improvement.
- At the noticed date and time, Council shall hold a public hearing and shall adopt a resolution approving the assessment if Council finds, via resolution, that the improvement is necessary and benefits the properties that will be assessed. Council must also approve the proposed improvement plan.

- If record owners of all real property in the proposed assessment district waive in writing the notice, protest period and public hearing required under this section, the question of creating the district may be submitted to Council without such notice, protest period or public hearing.

Staff to show the \$45k in maintenance and how that differs from the \$100k in replacing wooden planks

The \$45K was spent so far this year to complete routine maintenance (several timber panels repaired, sink holes at two locations repaired). The \$100K represents estimated costs to repair an additional twenty timber panels that are recommended to be repaired before significant damage occurs (damage would be expected during next winter storms, with significant potential of severe damage if not addressed). If the armor stone improvement can occur before this winter's upcoming storms, the timber panels may not have to be fixed so the potential \$100k cost can be allocated to another maintenance need.

If we talk about modeling out to 2054, we can see the road is wiped out and thus all of the 'downstream' (or down-road) properties possibly no longer have access? Or maybe their access from the other side makes it a moot point? It would be wise to put a critical eye on the evaluation of 'impacted' properties.

The map provided by City Engineer Meyer in his June 3 memo shows road access to many of the lots in the proposed district would be lost if anticipated erosion occurs.

What value does the City's right-of-way have in that assessment?

The 60' wide Lake Street right-of-way and the 30' wide pedestrian access right-of-way (between Ocean Drive Loop and the seawall) have no real value to the City; they do not provide valuable access to any lots and no City owned utilities exist within these rights-of-ways. They do have frontage on the wall, therefore when seawall construction costs were assessed in 2002 on a linear foot of wall basis, the City assumed some costs for wall construction because of these two ROW portions. These ROWs are depicted in spreadsheet #1. The other rights-of-way within the area (Ocean Drive Loop, Krueth Way and Lake Street north of Ocean Loop Drive) projected to be impacted by erosion by 2054 provide road and utility access to properties within the proposed districts. If erosion was to occur as projected, this right-of-way (that serves these lots) would be of no value to the City, since the lots that benefit from the right-of-way would no longer exist. It is therefore not recommended that additional rights-of-way be factored in to the City's contribution towards the potential Seawall Improvement SAD.

Timeline for Project

The timeline for the armor stone capital improvement project is contingent upon how the project is initiated.

There was interest from a homeowner currently residing in the ODLA (Ocean Drive Loop Service Area) to expand its boundaries through the Special Assessment District process outlined in code under HCC 17.02.040. If that application and filing fee were received, the Clerk would have 10 days from time of receipt to send the application for Public Works Director and Finance Director review and notify the applicant of any insufficiencies if present. Once complete, the Clerk would: 1) send out a petition to all record owners of property in the proposed district no more than 30 days after the petition application is approved and 2)

schedule a neighborhood meeting with all properties included in the proposed district. Petition signatures of the record owners of real property in the district to be benefitted must be received by the City Clerk within 60 days after the mailing of the petition. Approval of the SAD would then be granted by resolution.

If the City does not receive an application and filing fee from a benefitted property owner, Council could initiate the SAD to install armor stone through a resolution (like the resolution before Council at the June 8th meeting). If the resolution is passed, below is a tentative, idealistic timeline for the armor stone capital improvement project to occur per the City Clerk. This timeline assumes the City is willing to finance the project as it is currently unknown what financing options could be provided through private or state issued loans and what liabilities each of those loans would place on the City.

Tentative/Idealistic Timeline

- June 8 - Council adopts a resolution initiating the Seawall Improvement SAD
- Week of June 8 - City Clerk schedules a meeting of record owners of real property in the proposed district
- Week of June 8 - Public Works works with coastal engineering firm to perform a more detailed analysis regarding the installation of armor stone to advance the designs to a preliminary level and obtain more informed potential costs. This is funded by the account that collects mill rate deposits and the City's annual \$10,000 contribution.
- Week of June 8 - City Clerk notifies the record owners by mail of the date, time and location of the meeting, and includes a copy of the notice in the City's regular meeting advertisement
- June 24 or 25 - Neighborhood meeting is held. Public Works presents improvement plan for the proposed district.
- July – Design complete; Corps permit submitted, Financing in place.
- August – Plans competitively bid, Bids opened,
- August 24 - Council holds a public hearing and adopts a resolution approving the assessment if Council finds, via resolution, that the improvement is necessary and benefits the properties that will be assessed. Council must also approve the proposed improvement plan. At this same meeting, Council passes a resolution expanding the Service Area to include all new properties incorporated by the Assessment District and awards construction contract.
- Week of August 24- Public Works issues Notice to proceed for construction of armor rock installation.
- September 1 – Contractor begins quarrying rock
- October 13- Contractor begins placing armor rock
- November 30 – Armor rock placement complete.

Mill Rates

At the May 26th Council Meeting, City Manager Yoder provided a memo clarifying maximum mil rates for the Service Area.

Alaska State Statute 29.45.090 Tax limitation: “(a) A municipality may not, during a year, levy an ad valorem tax for any purpose in excess of three percent of the assessed value of property in the municipality. All

property on which an ad valorem tax is levied shall be taxed at the same rate during the year.” Ten mills is synonymous with 1% so the maximum mill rate the City of Homer could set is 30. If there is bonded debt, the mill rate could exceed 30.

Maintenance and Mill Rate

There was a request for additional information on what the maintenance budget would look like if the mill rate is not raised. In July, property tax bills are issued by the Borough and are due in one installment by Oct. 2020 or in two installments due September and November 2020. Staff provided Council with an updated projection at the May 26th Council meeting, estimating \$26,886 will be received by the City in mill rate deposits by the end of the year. Please see financials enclosure. If this is the case and no additional maintenance work occurs by the end of 2020, there will be an estimated \$92,959 remaining in the maintenance account.

History

There was a request for history concerning the Seawall. Resolution 20-XXX briefly outlines the history of the Seawall’s creation. Staff have also provided a few letters that were sent to homeowners over the years for context along with one letter from property owners sent to the City.

Responses to Memorandum 20-008

Staff did not receive a written response from Attorney Gatti concerning Memorandum 20-008. Instead, Attorney Gatti elected to address Council regarding those questions at the May 18th executive session.

Consider using cement block to 75% for more volume then come in with armor rock as a more economical approach.

Per City Engineer Meyer, the use of cement block should be evaluated during the design of armor rock placement. Based on my experience, concrete block cost more per ton than rock and would not break down wave energy as effectively as rock.