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Memorandum 20-098

TO: Mayor Castner and Homer City Council

THROUGH: Rick Abboud, Acting City Manager

FROM: Jan Keiser, PE, JD, Director of Public Works

DATE: June 25, 2020

SUBJECT: Brief Legislative History of Ocean Drive Seawall

To the best of staff's abilities, below lists out a historical overview of the Seawall, relying on prior legislation to help document major points in time. Further, we know there have been two litigation cases concerning the Seawall and staff are tracking down more information concerning them.

September 25, 2000 City Council passed Resolution 00-89(A), creating the Ocean Drive Loop Bluff Erosion Control Improvement District. This was initiated by a petition of a number of property owners, received by the City in May 2000 asking the City to create an improvement district, "with the understanding that in all likelihood they [property owners] will be assuming 100% of the project cost…" This appears to be the first time the City passed legislation related to this project.

The seawall was constructed in 2002 by Phukan, Inc. using fiberglass sheet piles, some of which are still visible. In April 2002, the City acquired a permit from the Army Corps of Engineers to "install a 2000' sheet pile seawall and backfill with dredged material, involving a total discharge of approximately 7,030 cubic yards, placed approximately 0.46 acre, below the high tide line of Kachemak Bay." According to the language of Ordinance 06-53(S), the structure "experienced immediate challenges primarily due to several storm events that occurred during construction" and has required continued maintenance ever since.

Through Resolution 03-143, the final assessment role for the Ocean Drive Bluff Erosion Control Improvement Project was set at \$1,014,032. In June of 2004, Resolution 04-54 was passed, which established the interest rate for the district at 6.5%.

The City passed Ordinance 06-53(S), which created the Ocean Drive Loop Special Service District as a means to help the property owners get funding to make repairs to the seawall. The City on at least a couple occasions suggested the property owners create a homeowners' association. (There was mention of an earlier district called the "Ocean Drive Loop Bluff Erosion Control Improvement/Assessment District.")

April 12, 2010 City Council passed Ordinance 10-19, which abolished the Ocean Drive Loop Special Service District that had been set up in Ordinance 06-53(S). The City had been collecting property taxes, per this District for "funding the operation of the seawall" but evidently, the property owners never set up the

homeowner's association. The Ordinance abolished the district and discontinued collecting property taxes. The Ordinance 10-19 states,

"The Council finds that it would be in the best interest of the City to allow the owners of property in the District to determine among themselves what collective arrangements, if any, to make for funding the operation of the seawall, without the involvement of the City as a taxing authority..."

January 4, 2012 In response to a notice of noncompliance issued by the Corps, the City applied to modify the Corps Permit on January 4, 2012. The Corps denied this modification request with a response stating the Corps would give "favorable consideration to a permit transfer request from a home owners association or similar entity that can conduct the necessary maintenance on the seawall."

January 23, 2012 City Council passed [Emergency] Ordinance 11-49(S), to "immediately establish a new differential tax zone" known as the Ocean Drive Loop Special Service District. According to the "whereas" clauses in Ord. 11-49(S), this was done because

"[S]ome property owners...continue to assert that the City is responsible for maintaining the seawall, and have induced the Army Corps of Engineers to require the City to repair damage to the seawall under the terms of the permit the Corps issued to the City for the seawall..."

The Special Service District was created to raise tax revenues from benefitted property owners to support maintenance and repair of the seawall they own which is located on their properties.

July 23, 2012 City Council passes Ord. 12-29, removing Lot 34 of the Oscar Munson Subdivision from the Ocean Drive Loop Special Service District. This request was made by the former property owners because the property owners represented to the Corps and City that they intended to operate and maintain the part of the Seawall that was located on their property.

2017 Major repairs were done

2018 More major repairs were done

January 28, 2019 City Councilmembers Aderhold and Smith, as well as City Manager Katie Koester and City Engineer Carey Meyer participated in a neighborhood meeting. "The main goal of the meeting was to do some collective problem solving...about how to extend the life of the seawall..." Ms. Koester shared that she would "bring an ordinance before Council on March 26 requesting funds from the Seawall maintenance account to hire an engineering firm that specializes in coastal engineering..." to evaluate solutions for the wall. The group agreed to do this.

As a result of the January 28 meeting, Ordinance 19-13 was adopted to hire a coastal engineering firm "to perform a coastal engineering study of the deteriorating seawall and provide potential concept for long term shore protection..." The motion passed and a contract with HDR, Inc. was so executed. HDR Inc. participated in a follow up meeting with community members to go over the recommended options outlined in the report. The installation of armor stone was the recommendation that received general consensus from the group.