



City of Homer

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Memorandum 21-164

TO: Mayor Castner and Homer City Council
THROUGH: Rob Dumouchel, City Manager
FROM: Julie Engebretsen, Deputy City Planner and Special Projects
Coordinator
DATE: September 20, 2021
SUBJECT: HERC Campus Redevelopment – Foundations and Futures

Background

For over twenty years, the city has considered how to utilize the 4.3 acre property at the corner of West Pioneer Ave and the Sterling Highway. Numerous possibilities have been explored by several different groups of people. The most recent effort was the 2018 HERC Task Force. Further information such as floor plans can be viewed here: <https://www.cityofhomer-ak.gov/planning/herc-1-where-are-we-where-have-we-been-and-where-do-we-go-now-0>

Generally, reports and recommendations have pointed to demolishing the buildings and building a new structure; it's not cost effective to retrofit the current structures. To date, the city has not created a strategic plan for what would be part of a new structure, nor for paying operations and maintenance costs. Gymnasium? Daycare? Conference Center? Performing Arts Theatre? What's the impact to the city budget? Retaining the property for a public use and recreation has emerged as a community value, but the details remain unfocused.

New opportunity

Federal ARPA grant funding of up to \$10,000,000 for travel, tourism and outdoor recreation is available through the Economic Development Administration. Grant applications are due at the end of 2022/January 2023. Homer has the opportunity to apply for funding to demolish the old structures and build a new facility. But before the City can prepare a grant application, there needs to be a clear plan of what activities will happen in the building, and an ongoing business plan.

Ordinance 21-58 appropriates up to \$75,000 for professional services. Staff expects bids to come in well under this number, however, a contingency fund is desired to ensure maximum flexibility within the short timeline available. This contract would fill the gap between the work that has already been done, and the information needed to apply for this federal grant. The big unanswered questions are:

1. What combination of activities, which are feasible and desirable, to house within the building.
2. Projecting the capital as well as ongoing operation and maintenance costs for the facility.

To answer these questions, the (draft) scope of work is as follows:

3.0 SCOPE OF SERVICES

The Respondent shall provide the following services and associated work products.

Respondent shall, at a minimum, address the following topics:

Market analysis

1. Define the impact of a new multi-use recreation facility and the competitive advantages and disadvantages of the proposed facility within the City of Homer.
 - a. Work Product: Letter Report
2. Conduct a comparative assessment of Homer indoor recreation, arts, theatre meetings and rentals and describe the advantages or disadvantages to a new indoor recreation facility on different user groups.
 - a. Work Product: Letter report with a brief update of changes since the 2015 PARC Needs Assessment

Socioeconomic analysis

1. Develop a 5-year, profile of the local/regional population and economic trends and the relative impacts on the recreation facility and other potential multi-use facility partners.
 - a. Work Product: Report on demographic and economic trends report, with impact of a new facility on the Homer economy.

Community Engagement

1. Conduct community and stakeholder meetings to share and assess the findings of the scoping study.
 - a. Work Product: Letter Report
2. Conduct Scoping Workshops with other potential partners, stakeholders and organizations whom could share physical space in the multi-use recreation facility.
 - a. Work Product: Report of organizations contacted and interest and financial ability to participate in a shared facility.
3. Identify and connect private and public operational and maintenance funding sources with strategies that combine the resources for optimum project value including but not limited to:
 - a. Special interest groups;
 - b. Economic development groups;
 - c. Naming rights;
 - d. School district
 - e. Local organizations and local partner boards and groups; and
 - f. Key City officials

- g. Voter approved dedicated funding source
Work Product: Potential Funding Strategies

Building Project Assessment

1. Provide conceptual plans, which identify and recommend internal amenities and design features.
 - a. Work Product: Three conceptual plans of the proposed facility.
2. Provide three conceptual site plans demonstrating how the 4.3 acre site can be efficiently used for additional buildings and uses in the future.
 - a. Work Product: Three conceptual plans of the proposed site.

Operational, Financial, Economic analysis

1. Identify and develop strategic revenue resources such as individual, user groups, community partners and outside resources.
2. Identify and develop detailed revenue projections and a recommended base fee structure for daily, monthly and annual facility use along with current programming and opportunities including lease/rental space, using the proposed multi-use recreation facility.
 - a. Work Product: Spreadsheets
3. Develop a cost recovery model based on potential revenue projections.
 - a. Work Product: 5 year Financial Plan
4. Develop detailed estimates for annual costs of operating the facility.
 - a. Work Product: Operating Budget

Final Report and Deliverables:

1. Kick-off Meeting;
2. Bi-monthly conference calls with project lead and/or meetings with City staff and specified stakeholders;
3. Two update presentations to the Homer City Council.
4. Develop three site plans for proposed facility, recommended size of facility and conceptual plans.
5. Develop conceptual three site plans encompassing the whole property.
6. Draft a report of Market Analysis, Competitive Market Analysis, Building Project Assessment, Operational, Financial, Economic analysis for City project lead review and input;
7. Presentation of findings to City of Homer staff, City Council, and Key Stakeholders; and
8. Final written report including five hard copies and one digital PDF file.

A. City Provided Accommodations

The City will provide access to staff and current facility budgets pertaining to analysis of the requested information, contact information for key stakeholders, known user

groups, HERC Task Force Recommendations, 2015 Parks Art Recreation and Culture Report, and other documents on file for needed feasibility study background.

Conclusion

As pointed out at the last work session by Tim Dillon, KPEDD Executive Director, this ARPA funding is likely to be a once in a generation opportunity. If Homer wants to be able to apply for funding, additional and immediate work is needed to fine tune our community plans for this property.

Attachments

1. Map
2. 2018 HERC TF Report
 - a. https://www.cityofhomer-ak.gov/sites/default/files/fileattachments/city_council/meeting/28781/herc_tf_final_report_11_30_18_high_res_-_copy.pdf
3. 2015 PARC Needs Assessment
 - a. <https://www.cityofhomer-ak.gov/recreation/park-art-recreation-and-culture-needs-assessment-parc>
4. 2016 Stantec Report, HERC 1 Upgrade (Police Station)
 - a. https://www.cityofhomer-ak.gov/sites/default/files/fileattachments/planning/page/74401/2016_stantec_herc_building_upgrade_analysis_report.pdf
5. 2005 Conference Center Feasibility Study
 - a. <https://www.cityofhomer-ak.gov/economicdevelopment/feasibility-study-potential-new-conference-center-homer-alaska-2005>
6. 2007 ECI/Hyer Report, Conversion to civic offices and assembly hall cost estimate
 - a. https://www.cityofhomer-ak.gov/sites/default/files/fileattachments/planning/page/74401/2007_eci-hyer_conversion_to_civic_offices_assembly_hall_cost_estimate.pdf
7. ARPA Tourism NOFO
 - a. <https://www.grants.gov/web/grants/view-opportunity.html?opId=334748>
8. EDA NOFO Chart