



MEMORANDUM

Homer Accelerated Roads and Trails (HART) Road Fund Worksession Schedule

Item Type: Informational Memorandum
Prepared For: Mayor Lord and Homer City Council
Date: January 7, 2025
From: Melissa Jacobsen, City Manager

This HART Roads Fund worksession is intended to outline the history and evolution of the Homer Accelerated Roads and Trails (HART), provide a financial overview of the fund from FY19 to current and general fund transfers, and address projects that have pending legislation making appropriations from the fund.

The schedule for the worksession is as follows-

- HART History – 5 minutes
- HART Financials – 10 minutes
- HART Open Encumbrances - 10 minutes
- Roads Financial Plan current and revised - 10 minutes
- HART Looking Ahead - 10 minutes
- Questions 15 minutes
- Bunnell/Ohlson project, Beluga Slough Green Infrastructure project, and Kachemak Peatlands Green Infrastructure project + questions 10 minutes

As you review the worksession materials please jot down your questions, and as we present note extra questions as they come up. We'll have Q&A following the presentations.



MEMORANDUM

Homer Accelerated Roads and Trails (HART) Road Fund

Item Type: Informational Memorandum
Prepared For: Mayor Lord and Homer City Council
Date: January 7, 2025
From: Melissa Jacobsen, City Manager

This memo outlines the history and evolution of the Homer Accelerated Roads Program (HARP), later renamed the Homer Accelerated Roads and Trails program (HART), focusing on its funding, policy changes, and future planning.

Background:

Ordinance 87-19 authorized a question to the voters to approve a three quarter percent sales tax for the purpose of partial funding of street reconstruction improvements and related utilities for up to twenty years, which was approved by voters at the October 1987 regular election.

Resolution 87-61(S) established the first Homer Accelerated Roads Program (HARP) policies. The resolution identified the urgent need within the City for reconstruction of streets and related utilities. The Council at that time recognized the limited state revenues then and into the future. In 1987 the program was funded by three quarter percent sales tax and assessments against benefitted property owners. Additional resolutions followed updating these policies as needed for effective use of the program.

Resolution 94-50 appears to be the legislation that put Council's policies into the HARP Policy Manual.

Key Milestones:

Ordinance 06-42 authorized three propositions to the voters regarding HARP.

- Proposition 1 asked the voters to extend the three quarter percent sales tax to fund HARP for up to twenty additional years.
- Proposition 2 asked that if Proposition 1 passed would the City be authorized to use the revenue from the dedicated sales tax for construction of new local streets.
- Proposition 3 asked that if Proposition 1 passed would the City be authorized to use the revenue from the dedicated sales tax for construction of new local non-motorized trails.

All three propositions were passed by the voters at the October 2006 regular election, and HARP became HART, the Homer Accelerated Roads and Trails program with **Resolution 07-33**.

Resolution 07-82 updated the HART policy manual to incorporate non-motorized transportation and trail infrastructure into the program.

Ordinance 15-36(A)(2) authorized a proposition asking the voters to suspend the three quarter percent sales tax for a period of three years (2016, 2017, and 2018). The purpose of this suspension was to increase revenues to the general fund due to a downturn in oil prices, the State reducing the City's contract for community jail services, and significant decline in and elimination of the State revenue sharing, which prompted Council to remove revenue sharing from the operating budget under revenue. The proposition passed at a special election in December 2015.

Ordinance 17-10(S)(A) put a question before the voters asking to amend the HART program to authorize the use of the three quarter percent sales tax for road and trail maintenance. As City Administration and City Council worked to address impending budget shortfalls and understand the needs in taking care of infrastructure, they saw the need to ask voters for approval to continue to use a portion of the HART fund for road and trail maintenance operations costs. Again, the voters supported this proposition which allowed for approximately \$700,000 of General Fund expenses to be funded by HART when the suspension expired and relieving some pressure on the General Fund into the future. This is the model we continue to use today, however with increased cost of operations and new roads built within the City, the amount of the transfer has increased.

Ordinance 17-40(A) amended Homer City Code 3.05 to add section 3.05.017 Minimum annual transfers for Homer Accelerated Roads and Trail Capital Accounts. Following the passage of the 2017 ballot proposition a minimum transfer of \$550,000 was set for the purpose of funding street reconstruction improvements and utilities, construction of new local roads, and construction of new local trails. This is split 90%/10%, \$500,000 for HART Roads and \$50,000 for HART Trails.

This amount was based on information in **Memorandum 17-133**, backup to **Resolution 17-092(A)**, that outlined special assessment districts costs and operation costs and updated the HART Policy Manual.

In researching the fund, up until 2015 its primary function has served to finance developing local roads by through road improvement districts initiated by the City or by property owners in a neighborhood. From 1987 to 2016 a front footage assessment methodology was used where property owners paid set amounts for gravel and for paving, as established by Council resolution. In 2016 the assessment methodology changed to a percentage based methodology where benefitted property owners pay 25% of the improvement costs and the City pays 75%. The purpose of this change was to standardize HART and HAWSP (Homer Accelerated Water and Sewer Program) assessment methodologies, make the allocation of cost to property owners under HART more equitable, and encourage property owners to utilize the program. See **Memorandum 16-063** and **Resolution 16-041 (S-2)(A)**.

When the HART suspension ended and the annual HART transfers to the general fund for operations began, HART Roads was used primarily to fund capital projects approved through the budget, Local Improvement Districts (LIDs), now called Special Assessment Districts (SADs), and the annual transfer. Because there weren't a lot of SAD's initiated the HART Roads fund grew significantly over the years, even with the annual transfer.

Recent Developments:

In 2020 Public Works became more vocal about needs for existing roads and the community more vocal about the need for sidewalks. Leadership in Public Works and Administration had recently changed and they saw value in and the need for more utilization of the HART road funds for eligible projects throughout the City.

We have accomplished several great projects including the Main Street Sidewalk, Ben Walters Sidewalk, improvements at Bayveiw Park, Woodard Creek Culvert Rehabilitation Project, Design of the Bunnell Ave/Ohlson Lane Road Restoration Project, design of the Heath Street Pavement Restoration Project, and green infrastructure projects that impact roads, to name a few.

Looking Ahead:

As seen in this history, the needs for HARP/HART have changed over time as the City continues to grow and infrastructure needs repair and revitalization. Looking at the future of the HART Roads and Trails funds it will be important for Council and Administration to consider what priorities lay ahead, how to continue to manage the fund to accomplish the priorities, and how best to update the HART Policy Manual to set appropriate policies for the funds.

It's also important to keep in mind that the dedicated three quarter percent sales tax for HART expires on December 31, 2027, midway through the second year of our upcoming budget cycle. A proposition will need to go to the voters in October 2026 asking them to extend the dedicated sales tax for this important fund, and here is a very preliminary schedule-

- January-February 2026: Discussions about HART and preparation of an ordinance and memo
- March 2026: Council adopts the ordinance to put a ballot measure before the voters
- May 2026: Register as an entity with the Alaska Public Offices Commission (APOC)
- June 2026: Campaign Branding/Ad Building begins
- August 2026: Begin advertising
- October 7, 2026, Election Day

Future Considerations:

Looking ahead, Council should address questions on funding policies, budget strategies, and setting priorities for future road and trail projects.

- Should the City amend HCC 3.08.017 Minimum Annual Transfer for Homer Accelerated Roads and Trails capital accounts to clarify wording and change the minimum transfer? If so what changes would the Council support?
- Should the City set policy on the annual general fund transfer for operations and maintenance? If so is there a floor or ceiling on the amount of the transfer?
- Should we proceed in budgeting at status-quo until the proposition is decided by the voters in 2026, and take up consideration of these adjustments for FY28/29 after HART is extended?
- Is there a need to limit HART roads appropriations to let the fund replenish until the proposition is decided by the voters?

CITY OF HOMER

HOMER, ALASKA

ORDINANCE 87-19

AN ORDINANCE OF THE COMMON COUNCIL OF THE CITY OF HOMER CALLING FOR PROPOSITIONS TO BE INCLUDED ON THE OCTOBER 6, 1987 GENERAL ELECTION BALLOT WHICH PROVIDE FOR THE COMBINED LEVY OF UP TO AN ADDITIONAL ONE PERCENT TAX ON SALES, RENTS AND SERVICES WITHIN THE CITY OF HOMER FOR THE DEDICATED PURPOSE OF PARTIALLY FUNDING DEBT RETIREMENT FOR THE SEWER TREATMENT PLANT IMPROVEMENTS, AND PARTIALLY FUNDING STREET RECONSTRUCTION IMPROVEMENTS; PROVIDING FOR RATIFICATION OF THIS ORDINANCE BY THE VOTERS AT THE OCTOBER MUNICIPAL ELECTION AND FURTHER PROVIDING FOR REFERRAL TO THE KENAI PENINSULA BOROUGH FOR COLLECTION.

WHEREAS, expansion and upgrade of the Sewer Treatment Plant has been mandated by the Environmental Protection Agency; and

WHEREAS, it has been determined that reconstruction of street improvements and related utilities is an urgent need within the City of Homer; and

WHEREAS, the availability of state revenues to finance street and public utility improvements is limited and may not be available in the near future; and

WHEREAS, the City of Homer wishes to provide a dedicated funding source for street reconstruction and the sewer treatment plant improvement needs as outlined by the City.

NOW, THEREFORE, THE CITY OF HOMER ORDAINS:

Section 1. Levy of Sales Tax; Purpose. (a) An additional consumer's sales tax in the amount of one quarter percent (1/4%) is hereby levied by the City of Homer on all sales, rents and services within the City except as the same

may be otherwise exempted by law, for the purpose of partially funding debt retirement of the Sewer Treatment Plant improvements.

(b) An additional consumer's sales tax in the amount of three quarters percent ($3/4\%$) is hereby levied by the City of Homer on all sales, rents and services within the City except as the same may be otherwise exempted by law, for the purpose of partial funding of street reconstruction improvements and related utilities.

Section 2. Effective Date. This ordinance shall take effect on January 1, 1988, after ratification by the qualified voters of the City of Homer, voting on the following questions at an election to be held on October 6, 1987, which shall read:

PROPOSITION NO. 1

INCREASED SALES TAX RATE FOR
SEWER TREATMENT PLANT IMPROVEMENTS

Shall the City of Homer, Alaska provide a partial funding source for debt retirement on \$4.4 million improvements to the Sewer Treatment Plant by an additional one quarter percent ($1/4\%$) dedicated sales tax with such additional sales tax to remain in effect until the debt is retired or for twenty (20) years, whichever occurs first?

INCREASE OF $1/4\%$ SALES TAX RATE, YES ☐

INCREASE OF $1/4\%$ SALES TAX RATE, NO ☐

PROPOSITION NO. 2

INCREASED SALES TAX RATE FOR
STREET RECONSTRUCTION AND RELATED UTILITIES

Shall the City of Homer, Alaska provide a partial funding source for street reconstruction improvements and related utilities by an additional three fourths percent ($3/4\%$) dedicated sales tax, in accordance with the City of Homer Accelerated Roads Program; such additional sales tax to remain in effect for up to twenty years?

INCREASE OF $3/4\%$ SALES TAX RATE, YES ☐

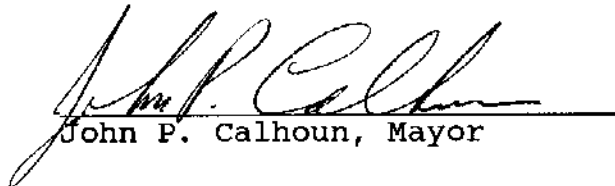
INCREASE OF $3/4\%$ SALES TAX RATE, NO ☐

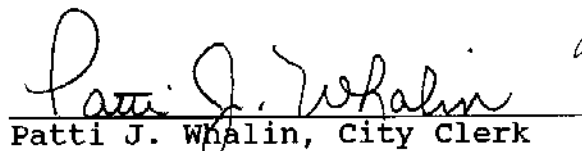
Section 3. Referral to Kenai Peninsula Borough for Collection. Following enactment by the City Council and ratification by the voters at a regular municipal election, this ordinance shall be referred to the Kenai Peninsula Borough for notification of tax registrants within the City and for implementation of other collection procedures as required by law.

Section 4. Borough Sales Tax Provisions Adopted by Reference. Those sections of the Kenai Peninsula Borough Code of Ordinances applicable to the levy and collection of the foregoing sales tax are hereby incorporated by this reference and made a part hereof as though fully set forth herein.

Section 5. Insertion in Municipal Code. This ordinance shall be appropriately numbered and added to the Homer Municipal Code.

CITY OF HOMER


John P. Calhoun, Mayor

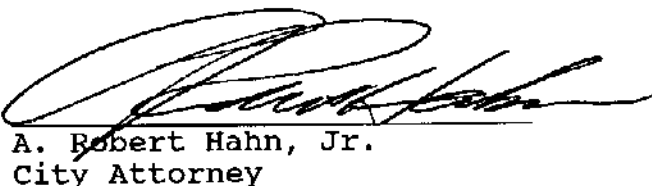

Patti J. Whalin, City Clerk

First Reading 8/10/87

Public Hearing 8/24/87

Second Reading 8/24/87

Reviewed and approved as to form
this 24th day of August, 1987.


A. Robert Hahn, Jr.
City Attorney

CITY OF HOMER
HOMER, ALASKA

RESOLUTION 86-71

A RESOLUTION OF THE HOMER CITY COUNCIL AUTHORIZING THE FORMATION OF THE STERLING HIGHWAY WATER/SEWER IMPROVEMENT AREA AND AUTHORIZING THE CITY MANAGER TO PROCEED WITH THE PREPARATION AND CONSTRUCTION OF THE PROJECT.

WHEREAS, a public hearing was held on July 28, 1986 to hear objections or protests to the formation of such improvement area and the objection deadline for written protests was September 26, 1986, and


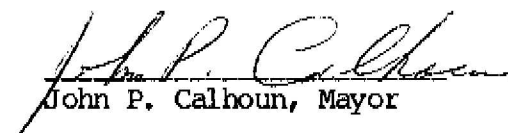
WHEREAS, it is determined that the improvement is desired by the property owners of more than one-half of the value of the property benefited,

NOW THEREFORE, BE IT RESOLVED by the Common Council of the City of Homer, Alaska, that the Sterling Highway water/sewer improvement area is hereby created and formed, and

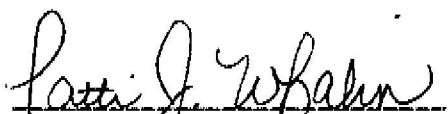
BE IT FURTHER RESOLVED that the City Manager is instructed to proceed with the necessary preparations and construction of the improvement area and to prepare the assessment roll for presentation to the Homer City Council at a future date.

DATED at Homer, Alaska this 13th day of October, 1986.

CITY OF HOMER



John P. Calhoun, Mayor

ATTEST:


Patti J. Whalin, City Clerk

CITY OF HOMER
HOMER, ALASKA

RESOLUTION 94-50

A RESOLUTION OF THE CITY COUNCIL OF THE CITY
OF HOMER, ALASKA AMENDING THE HOMER
ACCELERATED ROADS PROGRAM (HARP) AND POLICY
MANUAL.

WHEREAS, the Road Standards Committee at their meeting on May 2, 1994 moved to recommend to the City Council that the assessments be changed from \$20 per front foot for road reconstruction to \$30 per front foot for road reconstruction and that the paving assessment of \$11 per front foot be left the same; and

WHEREAS, this recommended change affects Section III. Financing/Assessments, of the HARP Policy Manual, subsection 6. and 8.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Homer, Alaska that the HARP and HARP Policy Manual are hereby amended in the following:

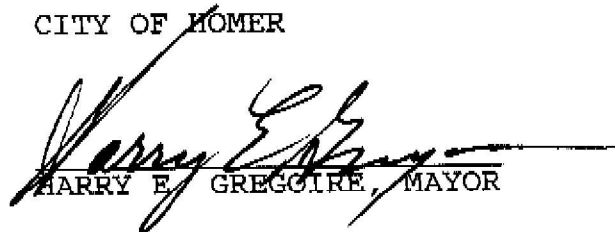
Section III. Financing/Assessments

6. Abutting property owners will share the cost of upgrading a street to residential standards by paying \$20 \$30 per front foot for gravel and \$11 per front foot for paving.

8. The \$20 \$30/\$11 split in front foot assessment stands unless there is 100% agreement on a revised formula for a specific project or the amount is adjust by the City Council.

PASSED AND ADOPTED by the City Council of Homer, Alaska on this 9th day of May, 1994.

CITY OF HOMER


HARRY E. GREGGIRE, MAYOR

ATTEST:


MARY L. CALHOUN, CITY CLERK

**CITY OF HOMER
HOMER, ALASKA**

Council/Manager

ORDINANCE 06-42

AN ORDINANCE OF THE CITY COUNCIL OF HOMER, ALASKA SUBMITTING A SET OF BALLOT QUESTIONS TO THE VOTERS AT THE REGULAR MUNICIPAL ELECTION ON OCTOBER 3, 2006, REGARDING THE HOMER ACCELERATED ROADS PROGRAM (HARP), INCLUDING CONTINUATION OF THE PROGRAM AND REAUTHORIZING THE THREE FOURTHS PERCENT ($\frac{3}{4}\%$) SALES TAX LEVY FOR UP TO TWENTY ADDITIONAL YEARS, AMENDING HARP TO AUTHORIZE CONSTRUCTION OF NEW ROADS AND NEW TRAILS, AND AMENDING HOMER CITY CODE SUBSECTION 9.16.010 (C) ACCORDINGLY.

WHEREAS, The Homer Accelerated Roads Program (HARP) and the three fourths percent ($\frac{3}{4}\%$) sales tax levy approved by the voters in October 1987 to provide funding for the program, both expire on December 31, 2007; and

WHEREAS, The general intent of the program, as approved by the voters in 1987, is to provide for the reconstruction of local substandard roads and/or upgrade existing City roads, thereby reducing maintenance costs, improving access, increasing property values, and improving the quality of life (Resolution 88-47 #1); and \

WHEREAS, The purpose, intent, qualifying criteria, financing, and other provisions of the HARP are provided in the HARP Policy Manual as amended from time to time and in Ordinance 87-19; and

WHEREAS, The City Council has determined that reconstruction and upgrades of local streets and associated utilities remains a urgent need and top priority; and

WHEREAS, The Council wishes to continue to provide a dedicated source of local revenue for this purpose and wishes to ask the voters to reauthorize the HARP Program and the existing three quarters percent ($\frac{3}{4}\%$) sales tax levy to provide funding for HARP for up to 20 additional years; and

WHEREAS, State and Federal funding for the construction of new local roads and trails is dwindling and the Council hereby finds it is in the public interest to develop a local source of funding to provide for necessary expansion of the local transportation infrastructure; and

WHEREAS, the construction of new roads and new trails are high priorities in both the Homer Transportation Plan and the Homer Non-Motorized Transportation Plan respectively; and

WHEREAS, The Council also wishes to ask the voters for authorization to amend the HARP to allow the revenue generated by the three fourths percent (3/4%) dedicated sales tax levy to be used for the construction of new local roads and new trails.

NOW THEREFORE, The City of Homer Ordains:

Section 1: The Homer City Council finds that it is in the best interest of the community to ask the voters if the Homer Accelerated Roads Program (HARP) and the three fourths percent (3/4%) sales tax levy currently dedicated to this purpose should be reauthorized and extended for up to twenty additional years. The Council also finds that it is in the best interest of the community to ask the voters if they will authorize amendments to the HARP and permit the dedicated sales tax levy to be used for construction of new local roads and trails.

Section 2: Homer City Code Section 9.16.010 is hereby amended to read as follows:

9.16.010 c. An additional consumer's sales tax in the amount of three quarter's percent (3/4%) is hereby levied by the City of Homer on all sales, rents, and services within the City except the same may be otherwise exempted by law, for the purpose of funding of street reconstruction improvements and related utilities, construction of new local roads, and construction of new local trails.

Section 3: The City Clerk shall submit the following questions to the voters at the regular municipal election to be held on October 3, 2006. The ballot propositions shall read as follows:

PROPOSITION 1:

Shall the City of Homer, Alaska continue to provide a funding source for street reconstruction improvements and related utilities in accordance with the City of Homer Accelerated Roads Program (HARP) by continuing after December 31,2007 to levy a three fourth percent (3/4%) sales tax to fund HARP for up to twenty additional years?

YES _____ NO _____

PROPOSITION 2:

If Proposition 1 is approved by the voters, shall the City also be authorized to use the revenue from the three fourths percent (3/4 %) dedicated sales tax for the construction of new local streets?

YES _____ NO _____

PROPOSITION 3:

If Proposition 1 is approved by the voters, shall the City also be authorized to use the revenue from the three fourths percent (3/4%) dedicated sales tax for the construction of new local non-motorized trails?

YES _____ NO _____

Section 4. If Ballot Proposition 1 contained herein is not approved by the voters, the amendments to HCC 9.16.010 (C) approved in Section 2 of this ordinance shall not take effect and the three fourths percent (3/4%) dedicated sales tax levy is not extended beyond December 31, 2007.

Section 5. If Ballot Proposition 1 contained herein is approved by the voters but Ballot Propositions 2 and 3 are rejected, the amendment to HCC 9.16.010 (C) approved in section 2 of this ordinance shall not take effect, but the authorization to extend HARP and to levy the three fourths percent (3/4%) dedicated sales tax for HARP shall take effect and continue for 20 years after December 31, 2007.

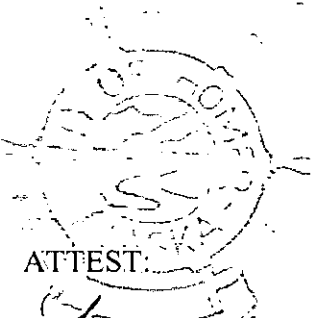
Section 6. If Ballot Proposition One and Proposition Two contained herein are approved by the voters, then the amendment to HCC 9.16.010 C referring to construction of new streets shall take effect, and the Council shall amend the HARP program by resolution to provide qualifying criteria and conditions under which new street construction projects could be funded using HARP revenue.

Section 7. If Ballot Proposition One and Proposition Three contained herein are approved by the voters, then the amendment to HCC 9.16.010 C referring to construction of new trails shall take effect, and the Council shall amend the HARP program by resolution to provide qualifying criteria and conditions under which new trail construction projects could be funded using HARP Revenue.

Section 8. The City Manager and the City Clerk and their designees are authorized to provide unbiased factual and educational information to the public regarding these ballot questions and what effect they might have on the budget, the capital improvement program, community development generally, or other relevant information that might help the voters make an informed decision.

Section 9. If Ballot Proposition 1 and either or both of Ballot Propositions 2 and 3 are approved by the voters, the respective amendments to HCC 9.16.010 C shall be effective immediately upon certification of the election. If approved by the voters, the amendment(s) to HCC 9.16.010 C shall be incorporated in the Homer City Code. The remaining sections of this ordinance are not of a permanent nature and as such, shall not be codified.

PASSED AND ENACTED by the Homer City Council this 14 day of Sept,
2006.



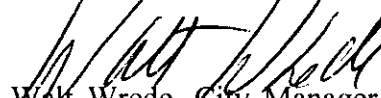
ATTEST:


MARY L. CALHOUN, CMC, CITY CLERK

Introduction: 07/24/06
Public Hearing: 08/14/06
Second reading: 08/14/06
Effective Date: 08/15/06


Ayes: 6
Nays: 0
Abstain: 0
Absent: 0

Reviewed as to form and content:


Matt Wrede, City Manager
Date: 8/15/06

CITY OF HOMER


JAMES C. HORNADAY, MAYOR


Gordon Tans, City Attorney
Date: 22 August 2006

Fiscal Note: Revenue estimated at \$1 Million per year

**CITY OF HOMER
HOMER, ALASKA**

City Clerk

RESOLUTION 07-33

A RESOLUTION OF THE CITY COUNCIL OF HOMER, ALASKA, CHANGING THE NAME OF THE HOMER ACCELERATED ROADS PROGRAM (HARP) TO HOMER ACCELERATED ROADS AND TRAILS PROGRAM (HART).

WHEREAS, The Homer Accelerated Roads Program (HARP) was established August 27, 1990

WHEREAS, On August 14, 2006 Ordinance 06-42 was adopted by the City Council placing three propositions before the Voters for the October 3, 2006 election; and

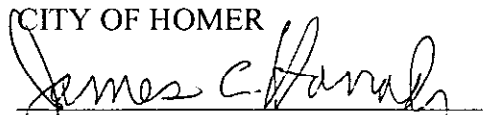
WHEREAS, The three propositions included continuing to provide a funding source for street reconstruction improvements and related utilities, levy of three fourth percent (3/4%) sales tax to fund HARP for up to twenty additional years, use of the funds for construction of new local streets, and use of the revenue from the 3/4% dedicated sales tax for construction of new local non-motorized trails; and

WHEREAS, All three propositions regarding the HARP passed and the election was certified on October 9, 2006 via Resolution 06-145(S); and


WHEREAS, The Transportation Advisory Committee recommended the name of the HARP be changed to Homer Accelerated Roads and Trails Program (HART) to more adequately describe the intent of the program.

NOW THEREFORE BE IT RESOLVED, That the Homer City Council hereby changes the name of the Homer Accelerated Roads Program (HARP) to Homer Accelerated Roads and Trails Program (HART).

PASSED AND ADOPTED by the Homer City Council this 26th day of February, 2007.

CITY OF HOMER

JAMES C. HORNADAY, MAYOR



ATTEST:

JO JOHNSON, CMC, CITY CLERK

Fiscal Note: Not Applicable

**CITY OF HOMER
HOMER, ALASKA**

City Manager/Parks and
Recreation Advisory Commission

RESOLUTION 07-82

A RESOLUTION OF THE CITY COUNCIL AMENDING THE HOMER ACCELERATED ROADS PROGRAM (HARP) POLICY MANUAL TO THE HOMER ACCELERATED ROADS AND TRAILS PROGRAM (HART) POLICY MANUAL, INCORPORATING NON-MOTORIZED TRANSPORTATION AND TRAIL INFRASTRUCTURE IN THE PROGRAM.

WHEREAS, Voters approved the extension of the HARP Program on October 3, 2006, and the results were certified in Resolution 06-145(S) on October 9, 2006; and

WHEREAS, Voters also approved the expenditures of program funds for construction of new local non-motorized trail projects; and

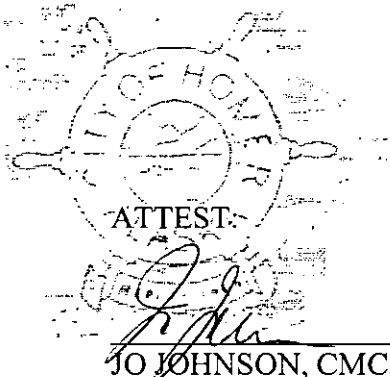
WHEREAS, Council adopted Resolution 07-33 changing the name of the HARP program to include Trails, thereby being named HART; and

WHEREAS, the Homer Non-Motorized Transportation and Trail Plan, Policy 6, states "Establish a city-sponsored funding source dedicated to building a non-motorized transportation and trail infrastructure in Homer;" and

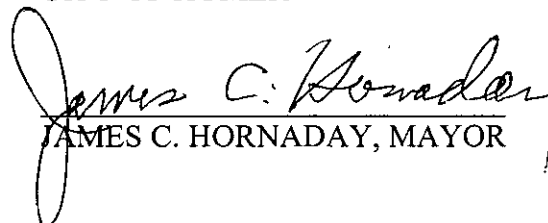
WHEREAS, The Homer Parks and Recreation Advisory Commission and the Transportation Advisory Committee spent several months discussing and recommending changes to the HART program and recommended approval of the new HART program as outlined in the HART Policy Manual.

NOW, THEREFORE, BE IT RESOLVED that the City Council of Homer, Alaska hereby adopts the Homer Accelerated Roads and Trails (HART) Policy Manual to incorporate non-motorized transportation and trail infrastructure into the program.

PASSED AND ADOPTED by the Homer City Council this 10th day of September, 2007.



CITY OF HOMER


JAMES C. HORNADAY, MAYOR

**CITY OF HOMER
HOMER, ALASKA**

Mayor

ORDINANCE 15-36(A-2)

AN ORDINANCE AMENDING HCC 9.16.010 TO SUSPEND THE DEDICATION OF 0.75% OF THE CITY SALES TAX TO THE HOMER ACCELERATED ROADS AND TRAILS (H.A.R.T.) PROGRAM FOR A PERIOD OF THREE YEARS, AND AUTHORIZING THE CITY TO SUBMIT THE QUESTION OF SUSPENDING SUCH SALES TAX DEDICATION TO THE QUALIFIED VOTERS OF THE CITY AT A SPECIAL ELECTION TO BE HELD IN THE CITY ON DECEMBER 1, 2015.

THE CITY OF HOMER ORDAINS:

Section 1. Homer City Code 9.16.010 is amended to read as follows:

9.16.010 Levied.

a. A consumer's sales tax in the amount of three and three-quarters percent is levied by the City on all sales, rents and services within the City except as the same may be otherwise exempted by law.

b. An additional consumer's sales tax in the amount of three-quarters percent is hereby levied by the City of Homer on all sales, rents and services within the City except as the same may be otherwise exempted by law, for the purpose of funding debt retirement of the sewer treatment plant improvements, and to the extent revenues from such tax exceed such debt retirement obligations, for the purpose of funding water and sewer systems.

Section 2. Homer City Code 9.16.010 is amended to read as follows:

9.16.010 Levied.

a. A consumer's sales tax in the amount of three percent is levied by the City on all sales, rents and services within the City except as the same may be otherwise exempted by law.

b. An additional consumer's sales tax in the amount of three-quarters percent is hereby levied by the City of Homer on all sales, rents and services within the City except as the same may be otherwise exempted by law, for the purpose of funding debt retirement of the sewer treatment plant improvements, and to the extent revenues from such tax exceed such debt retirement obligations, for the purpose of funding water and sewer systems.

c. An additional consumer's sales tax in the amount of three-quarters percent is hereby levied by the City of Homer on all sales, rents and services within the City except as the same may be otherwise exempted by law, for the purpose of funding of street

reconstruction improvements and related utilities, construction of new local roads, and construction of new local trails.

Section 3. A special election in and for the City is called for December 1, 2015, at which the City shall submit the following proposition to the qualified voters of the City. The proposition must receive an affirmative vote from a majority of the qualified voters voting on the question to be approved.

PROPOSITION NO. 1

**SUSPEND THE DEDICATION OF 0.75% OF THE CITY SALES TAX TO THE
HOMER ACCELERATED ROADS AND TRAILS (H.A.R.T.) PROGRAM FOR A
PERIOD OF THREE YEARS, TO MAKE SUCH 0.75% OF CITY SALES TAX
AVAILABLE FOR GENERAL GOVERNMENT PURPOSES**

Shall the dedication of 0.75% of the City sales tax to the Homer Accelerated Roads and Trails (H.A.R.T.) Program be suspended for a period of three years, to make such 0.75% of City sales tax available for general government purposes?

Section 4. The proposition shall be printed on paper ballots and machine ballots, and the following words shall be added as appropriate next to an oval provided for marking the ballot for voting by hand or machine:

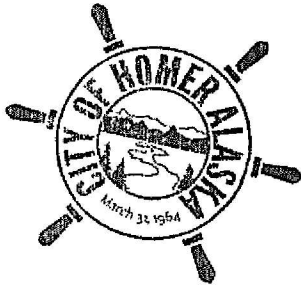
PROPOSITION NO. 1

O Yes
O No

Section 5. Section 1 of this ordinance shall become effective on January 1, 2016, but only if the proposition described in Section 3 is approved by a majority of the qualified voters voting on the proposition at the special election to be held in the City on December 1, 2015. Section 2 of this ordinance shall become effective on January 1, 2019, but only if the proposition described in Section 3 is approved by a majority of the qualified voters voting on the proposition at the special election to be held in the City on December 1, 2015. The remaining sections of this ordinance shall become effective upon adoption.

Section 6. Sections 1 and 2 of this ordinance are of a permanent and general character and shall be included in the city code upon their respective effective dates. The remaining sections of this ordinance are not permanent in nature, and shall not be codified.

ENACTED BY THE CITY COUNCIL OF THE CITY OF HOMER, ALASKA, this 12th day of October, 2015.



CITY OF HOMER

Mary E. Wythe
MARY E. WYTHE, MAYOR

ATTEST:

Jo Johnson

JO JOHNSON, MMC, CITY CLERK

AYES: 4
NOES: 0
ABSTAIN: 0
ABSENT: 2

First Reading: 9/22/15
Public Reading: 10/12/15
Second Reading: 10/12/15
Effective Date: 10/13/15

Reviewed and approved as to form:

Mary K. Koester

Mary K. Koester, City Manager

Date: 10.15.15

Thomas F. Klinkner

Thomas F. Klinkner, City Attorney

Date: 10-19-15

**CITY OF HOMER
HOMER, ALASKA**

Mayor

ORDINANCE 17-10(S)(A)

AN ORDINANCE OF THE CITY COUNCIL OF HOMER, ALASKA, SUBMITTING A BALLOT QUESTION TO THE VOTERS AT THE OCTOBER 3, 2017 REGULAR MUNICIPAL ELECTION INQUIRING WHETHER TO AMEND THE HOMER ACCELERATED ROADS AND TRAILS (HART) PROGRAM TO AUTHORIZE THE USE OF REVENUES FROM THE THREE FOURTHS PERCENT (3/4%) SALES TAX LEVIED TO SUPPORT THE HART PROGRAM FOR THE USE OF ROAD AND TRAIL MAINTENANCE AND AMENDING HOMER CITY CODE 9.16.010(C) ACCORDINGLY UPON APPROVAL BY THE VOTERS OF PROPOSITION NO.1.

WHEREAS, The HART Program (the "Program" or the "HART Program") and the three fourths percent (3/4%) sales tax levy in support of the Program was first approved by the voters in October 1987; and

WHEREAS, The general intent of the Program, as approved by the voters of the City of Homer, Alaska (the "City") in 1987, was to provide for the reconstruction of local substandard roads and/or upgrade existing City roads, thereby reducing maintenance costs, improving access, increasing property values, and improving the quality of life within the City; and

WHEREAS, In October 2006 the City voters reauthorized the Program for an additional 20 years and amended it to include the construction of new roads and trails; and

WHEREAS, Ten years later there is again a need to amend the Program to include maintenance of City roads and trails; and

WHEREAS, A dedicated funding source for road and trail construction, improvement and maintenance will establish these activities as essential and funding to continue to maintain and improve the City transportation infrastructure; and

WHEREAS, Road and trail maintenance includes:

- gravel road surface grading, dust control, gravel purchase, and drainage ditch/culvert maintenance
- pavement, curb, gutter and sidewalk repair, asphalt crack sealing, pavement stripping and sweeping
- bridge maintenance, signage, right-of-way vegetation control, storm drain pipe/catch basin/ manhole cleaning and repair, street light maintenance and electricity costs

- snow plowing and snow removal, snow dump site maintenance, purchase of sand, calcium chloride, and deicing chemicals, sanding, advertising and public notices
- purchase of road and trail maintenance equipment and tools
- for trails: vegetation control, trash pickup, signage, drainage, snow plowing, sanding, grading/resurfacing of gravel trails, sweeping of paved trails, and trail head maintenance

WHEREAS, Funding road and trail maintenance, construction and improvement through the Program will free up general funds for other essential City services; and

WHEREAS, The City Council will still be able to annually dedicate a large percentage of HART funds to capital projects to keep up with demand for road and trail improvements and new construction; and

WHEREAS, The City will continue to offer a special assessment district process as a mechanism for the improvement of local roads.

NOW THEREFORE, THE CITY OF HOMER ORDAINS:

Section 1: The Homer City Council finds that it is in the best interest of the community to ask the voters to authorize amendments to the Program to expressly permit the use of revenue generated by the HART Program dedicated sales tax levy for maintenance of local roads and trails.

Section 2. The City shall submit the following proposition to the qualified voters of the City at the October 3, 2017 regular election. The proposition must receive an affirmative vote from a majority of the qualified voters voting on the question to be approved.

PROPOSITION NO. 1

AUTHORIZE THE USE OF REVENUE FROM THE 0.75% OF THE EXISTING CITY SALES TAX DEDICATED TO THE HOMER ACCELERATED ROADS AND TRAILS (H.A.R.T.) PROGRAM TO INCLUDE MAINTENANCE OF LOCAL ROADS AND TRAILS

Shall the City of Homer, Alaska, be authorized to use the revenue from the three fourths percent (3/4%) Homer Accelerated Roads and Trails dedicated sales tax for the maintenance of local roads and trails?

Section 3. The proposition shall be printed on paper ballots and machine ballots, and the following words shall be added as appropriate next to an oval provided for marking the ballot for voting by hand or machine:

PROPOSITION NO. 1

O Yes

O No

Section 4. Homer City Code 9.16.010 is amended to read as follows:

a. A consumer's sales tax in the amount of three and three-quarters percent is levied by the City on all sales, rents and services within the City except as the same may be otherwise exempted by law.

b. An additional consumer's sales tax in the amount of three-quarters percent is hereby levied by the City of Homer on all sales, rents and services within the City except as the same may be otherwise exempted by law, for the purpose of funding debt retirement of the sewer treatment plant improvements, and to the extent revenues from such tax exceed such debt retirement obligations, for the purpose of funding water and sewer systems.

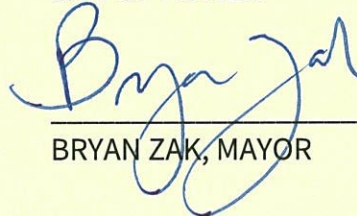
c. An additional consumer's sales tax in the amount of three-quarters percent is hereby levied by the City of Homer on all sales, rents and services within the City except as the same may be otherwise exempted by law, for the purpose of funding street reconstruction improvements and related utilities, construction of new local roads, construction of new local trails, and maintenance of local roads and trails.

Section 5. Section 4 of this ordinance shall become effective immediately upon approval of Proposition No. 1 by a majority of the qualified voters voting on the proposition at the regular election to be held in the City on October 3, 2017. The remaining sections of this ordinance shall become effective upon adoption.

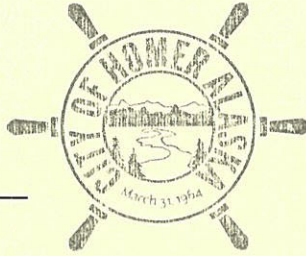
Section 6. Section 4 of this ordinance is of a permanent and general character and shall be included in the Homer City Code upon its effective date. The remaining sections of this ordinance are not permanent in nature, and shall not be codified.

ENACTED BY THE CITY COUNCIL OF HOMER, ALASKA, this 13th day of March, 2017.

CITY OF HOMER



BRYAN ZAK, MAYOR



ATTEST:



JO JOHNSON, MMC, CITY CLERK

AYES: 6

NOES: 0

ABSTAIN: 0

ABSENT: 0

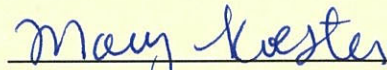
First Reading: 2/27/17

Public Hearing: 3/13/17

Second Reading: 3/13/17

Effective Date: 3/14/17

Reviewed and approved as to form:



Mary K. Koester, City Manager

Date: 3.20.17



Holly Wells, City Attorney

Date: 3.21.17

**CITY OF HOMER
HOMER, ALASKA**

Smith/Aderhold

ORDINANCE 17-40(A)

AN ORDINANCE OF THE CITY COUNCIL OF HOMER, ALASKA
AMENDING HOMER CITY CODE TITLE 3 CHAPTER 3.05 BUDGET BY
ADDING A NEW SECTION THAT ESTABLISHES A MINIMUM ANNUAL
TRANSFER IN THE OPERATING BUDGET OF HOMER ACCELERATED
ROAD AND TRAILS (HART) FUNDS FOR ROAD AND TRAIL CAPITAL
IMPROVEMENTS.

WHEREAS, Homer City Code Chapter 3.05 establishes the procedures, guidelines and
rules for the annual budget; and

WHEREAS, In October 0f 2017 Homer voters approved Ballot Measure 1 allowing the $\frac{3}{4}\%$
sales tax collected for Homer Area Roads and Trails (HART) to be spent on maintenance of
roads and trails; and

WHEREAS, It is appropriate to establish guidelines in Homer City Code that ensure a
minimum recommended amount is reserved for HART capital projects; and

WHEREAS, Estimated annual expenditures in the near future for HART road capital
expenditures such as the City portion of road improvement special assessment districts, storm
drain rehabilitation and paving projects equals \$504,306; and

WHEREAS, The HART Policy Manual allocates 10% of HART annually to trail projects;
and

WHEREAS, A line item in the 2019 budget should be added for trail maintenance in order
to allow the City to track trail maintenance expenditures and give greater attention to
maintaining municipal trail infrastructure.

NOW, THEREFORE, THE CITY OF HOMER ORDAINS:

Section 1. Homer Municipal Code Chapter 3.05 is hereby amended by adding a new
section, as follows:

3.05.017 Minimum Annual Transfer for Homer Accelerated Roads and Trail Capital Accounts

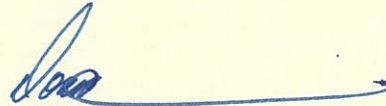
The annual budget will transfer a minimum of \$550,000 of the $\frac{3}{4}\%$ dedicated sales tax levied
for Homer Accelerated Roads and Trails exclusively for the purpose of funding street

reconstruction improvements and related utilities, construction of new local roads, and construction of new local trails.

Section 2. This Ordinance is of a permanent and general character and shall be included in the City Code and shall become effective January 1, 2019.

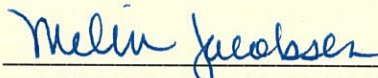
ENACTED BY THE CITY COUNCIL OF HOMER, ALASKA this 27 day of Nov, 2017.

CITY OF HOMER



DONNA ADERHOLD, MAYOR PRO TEMPORE

ATTEST:



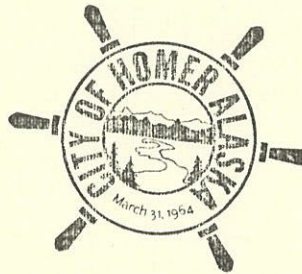
MELISSA JACOBSEN, MMC, CITY CLERK

YES: 6

NO: 0

ABSTAIN: 0

ABSENT: 0



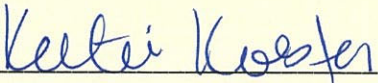
First Reading: 10.30.17

Public Hearing: 11.27.17

Second Reading: 11.27.17

Effective Date: 11.28.17

Reviewed and Approved as to form and content:



Katie Koester, City Manager



Holly Wells, City Attorney

Date: 11.29.17

Date: 11.30.17



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 17-133

TO: Mayor Zak and Homer City Council
FROM: Katie Koester, City Manager
DATE: October 25, 2017
SUBJECT: Ordinance 17-40 and Resolution 17-092

The purpose of this memo is to explain the parameters outlined in the proposed Ordinance and Resolution for the expenditure of Homer Accelerated Roads and Trails (HART) funds on maintenance of roads and trails.

Ordinance 17-40 in combination with Resolution 17-092 proposes that at a minimum \$550,000 of HART funds collected in any given year be reserved for capital expenditures (\$500,000 for roads and \$50,000 for trails). Resolution 17-092 establishes the same parameters for the HART Trails set aside as Ordinance 17-40 does for roads by amending the HART Policy Manual. Because the 10% dedication for trails is in the Policy Manual and not City Code, the Trails parameters need to be adopted by resolution, not ordinance.

The existing balance of the HART fund (currently approximately \$5.2 million) would remain available for future capital projects.

2017 value of HART (3/4% sales tax): \$1.284m

HART ROADS		HART TRAILS	
Annual amount of HART road (HART – 10% for HART trails)*	\$1.156m	Annual amount of HART trails (10% of HART)*	\$128,400
Anticipated annual draw on HART Roads for capital projects based on historical experience	\$504,306	Recommended minimum annual set aside for HART trails for capital projects	\$50,000
HART road remainder available for road maintenance (operating budget transfer)	\$656,000	HART trails remainder available for maintenance (recommend line item created for this in 2019 budget)	\$78,400
2017 budget for road maintenance (paved roads + gravel roads + winter roads)	\$717,000	2017 budget for trail maintenance	Not currently tracked

*Based on 2017 budget

Logistics. What will using HART for maintenance look like in the 2019 budget?

The 2019 budget will create an operating transfer into General Fund Revenue for HART road maintenance and HART trail maintenance. The HART road maintenance funds will offset expenditures on gravel, paved, and winter road maintenance. Since historically the City has not tracked trail maintenance expenditures, I recommend creating an item in the Parks and Cemetery budget for trail maintenance with a budget directly from HART Trails separately from other parks-related expenditures. The Parks Art Recreation and Culture Advisory Commission could advise on how to best spend these funds to maintain Homer's existing trail infrastructure. This could include purchasing trail maintenance equipment, materials such as gravel, signage and typar; and any associated labor. Any HART funds that are not budgeted and spent on specific maintenance expenditures will lapse into the HART capital funds until appropriated.

**CITY OF HOMER
HOMER, ALASKA**

Smith/Aderhold

RESOLUTION 17-092(A)

A RESOLUTION OF THE CITY COUNCIL OF HOMER, ALASKA,
AMENDING THE HOMER ACCELERATED ROADS AND TRAILS
PROGRAM (HART) POLICY MANUAL TO THE HART CAPITAL
IMPROVEMENTS POLICY MANUAL AND ESTABLISHING MINIMUM
SET ASIDES FOR CAPITAL IMPROVEMENTS.

WHEREAS, Homer Accelerated Road and Trail (HART) is a ¾% sales dedicated to roads
and trails; and

WHEREAS, In October of 2017 City of Homer voters approved Ballot Proposition 1 that
allowed Homer Accelerated Road and Trail funds to be spent on road and trail maintenance;
and

WHEREAS, Homer City Council is considering revisions to Homer City Code to restrict
what can be spent on road and trail maintenance in the annual budget and establish a
minimum set aside for HART capital improvement projects; and

WHEREAS, Updating the HART Policy Manual to the HART Capital Improvements
Policy Manual differentiates between HART funds that are used for capital projects and HART
funds that can be used in the operating budget for road and trail maintenance; and

WHEREAS, Revisions to the HART Policy Manual provide further guidance on the
required minimum set aside for roads capital improvements and trail capital improvements.

NOW, THEREFORE, BE IT RESOLVED THAT the title of the Manual is amended to read
as follows (additions bold and underlined; deletions stricken through):

H.A.R.T. CAPITAL IMPROVEMENTS POLICY MANUAL

BE IT FURTHER RESOLVED THAT the first sentence of paragraph I of the manual is
amended to read as follows:

I. PURPOSE

The purpose of the HART Capital Improvement program (referred to hereafter as HART
program) is to pay for reconstructing substandard city roads, upgrading existing
roads, and constructing new streets and non-motorized trails.

BE IT FURTHER RESOLVED THAT Paragraph V of the manual is amended to read as follows:

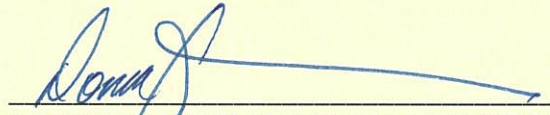
V.FINANCING AND ASSESSMENTS

This program is funded by a dedicated sales tax of up to three quarters of one percent (3/4%), and the collection of assessment payments due from completed projects. Roads are allocated 90% of the annual revenue, and trails are allocated 10%. Homer City Code requires that annually no less than \$550,000 is set aside for capital road and trail improvements. Of that amount, a minimum of \$500,000 shall be set aside for road capital improvements and \$50,000 for trail capital improvements. The tax will be collected for up to twenty years expiring December 31, 2027, as approved by voters. Expenditures under the HART program are subject to the availability of funds.

BE IT FURTHER RESOLVED THAT these changes shall become effective January 1, 2019.

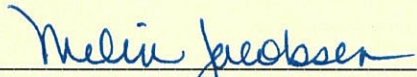
PASSED AND ADOPTED by the Homer City Council this 27 day of Nov 2017.

CITY OF HOMER

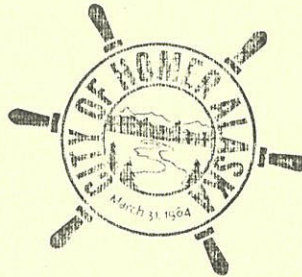


DONNA ADERHOLD, MAYOR PRO TEMPORE

ATTEST:



MELISSA JACOBSEN, MMC, CITY CLERK





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 17-133

TO: Mayor Zak and Homer City Council
FROM: Katie Koester, City Manager
DATE: October 25, 2017
SUBJECT: Ordinance 17-40 and Resolution 17-092

The purpose of this memo is to explain the parameters outlined in the proposed Ordinance and Resolution for the expenditure of Homer Accelerated Roads and Trails (HART) funds on maintenance of roads and trails.

Ordinance 17-40 in combination with Resolution 17-092 proposes that at a minimum \$550,000 of HART funds collected in any given year be reserved for capital expenditures (\$500,000 for roads and \$50,000 for trails). Resolution 17-092 establishes the same parameters for the HART Trails set aside as Ordinance 17-40 does for roads by amending the HART Policy Manual. Because the 10% dedication for trails is in the Policy Manual and not City Code, the Trails parameters need to be adopted by resolution, not ordinance.

The existing balance of the HART fund (currently approximately \$5.2 million) would remain available for future capital projects.

2017 value of HART (3/4% sales tax): \$1.284m

HART ROADS		HART TRAILS	
Annual amount of HART road (HART – 10% for HART trails)*	\$1.156m	Annual amount of HART trails (10% of HART)*	\$128,400
Anticipated annual draw on HART Roads for capital projects based on historical experience	\$504,306	Recommended minimum annual set aside for HART trails for capital projects	\$50,000
HART road remainder available for road maintenance (operating budget transfer)	\$656,000	HART trails remainder available for maintenance (recommend line item created for this in 2019 budget)	\$78,400
2017 budget for road maintenance (paved roads + gravel roads + winter roads)	\$717,000	2017 budget for trail maintenance	Not currently tracked

*Based on 2017 budget

Logistics. What will using HART for maintenance look like in the 2019 budget?



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 16-063

TO: Mayor Wythe and Homer City Council
FROM: Katie Koester, City Manager
DATE: April 1, 2016
SUBJECT: Resolution 16-041 HART and HAWSP

Council has had two work sessions on the Homer Accelerated Roads and Trails (HART) and Homer Accelerated Water and Sewer Program (HAWSP). From those sessions I gathered the following areas of consensus.

- 1) Standardize HART and HAWSP as much as possible
- 2) Make the allocation of cost to lot owners under HART more equitable

Changes made in Resolution 16-041:

- 1) Resolution 16-041 before you changes HART from \$30/foot for gravel reconstruction and \$17/foot for paving to an equal assessment per lot owner, regardless of lot size. This will require changing how the cost per lot is determined. Staff recommendation is that lot owners be assessed 25% of total project cost. This more closely aligns HART and HASWP Special Assessment District (SAD) procedures.
- 2) A new provision makes HART and HAWSP SADs subject to the availability of funds. This could be a problem sooner rather than later for HAWSP whose cash flow is committed to loan repayment.

Recommendations for Planning Commission review contained in Resolution 16-041:

There are a number of outstanding policy questions Council has brought up surrounding HART that this Ordinance does not address. Item 7 of the Purpose and Intent section of the HART Policy Manual requires the criteria for HART to be reviewed annually by the Transportation Advisory Committee, whose duties have been absorbed by the Planning Commission. Resolution 16-041 asks the Planning Commission for an extensive review focusing on:

1. Any specific differing criteria for the establishment of a sidewalk LID (now called a Special Assessment District or SAD)
2. Any recommendations/comments on incorporating maintenance costs into the HART
3. Readability of HART Policy Manual

Issues not addressed in Resolution 16-041:

HCC 17.04.100 triggers a new assessment when a lot is subdivided. This was not an issue for HART SADs currently, because the original assessments have a relation to lot size. The

rational is that when a lot subdivides, it is creating additional benefit from the improvement and should pay a fair share. City code says this new assessment is to be distributed back to the members of the district. This is difficult to do in practice and very administratively burdensome. Staff recommended a sunset on this clause for the natural gas HSAD. The Economic Development Advisory Commission has submitted a memo requesting this be changed for all special assessment districts.

Some councilmembers have articulated the desire for every lot to have an equal vote (currently votes are weighted by assessed value). This would solve the problem of one very large commercial lot being able to dictate the outcome for the rest of the district. However, the original intention of weighting the vote by assessed value was to give a preference to people who had a home and investment on the property (and are probably city residents living and working here) versus someone who has a vacant piece of property and may have no motivation to have a road improved or access to city utilities. Because of this, Resolution 16-041 as it is currently drafted does not change the way votes are calculated.

Column1	HART CURRENT	HAWSP CURRENT	HART RESOLUTION 16-041
Vote	Each lot owner is given a vote that is weighted by assessed value.	Each lot owner is given a vote that is weighted by assessed value.	Each lot owner is given a vote that is weighted by assessed value.
Cost	Lot owners are charged \$17/foot for paving and \$30/foot gravel reconstruction. Fixed cost for lot owners variable for City.	Every Lot pays the same (75% of project cost).	Every lot pays the same (25% of project cost).
Payment Schedule	10 Years	20 Years	10 Years
New Assessment Generated When Lot Subdivides?	No	Yes	Yes

Because of the details surrounding HART/HAWSP the topic can quickly become confusing. In order to give the public a chance to weigh in and Council time to come up with additional suggestions, a Public Hearing is scheduled for April 25.

Enc:
 HART Policy Manual
 HASWP Policy Manual
 HCC 17.04.100

**CITY OF HOMER
HOMER, ALASKA**

City Manager

RESOLUTION 16-041(S-2)(A)

A RESOLUTION OF THE CITY COUNCIL OF HOMER, ALASKA, AMENDING THE HOMER ACCELERATED ROADS AND TRAILS PROGRAM (HART) POLICY MANUAL TO CHANGE THE ALLOCATION OF COSTS FOR STREET RECONSTRUCTION AND NEW STREET CONSTRUCTION, AND THE BASIS FOR ASSESSING SUCH COSTS; AMENDING THE HART AND HOMER ACCELERATED WATER AND SEWER PROGRAM (HAWSP) POLICY MANUALS TO STATE THAT EXPENDITURES UNDER EACH PROGRAM IS SUBJECT TO THE AVAILABILITY OF FUNDS; REFERRING THE DEVELOPMENT OF A MATCHING GRANT PROGRAM FOR SMALL SCALE GREENWAY TRAILS TO THE PARKS AND RECREATION ADVISORY COMMISSION; AND REFERRING OTHER REVISIONS OF THE HART POLICY MANUAL TO THE HOMER ADVISORY PLANNING COMMISSION FOR ITS REVIEW AND RECOMMENDATIONS.

WHEREAS, It is in the best interest of the City and its residents to encourage the reconstruction of streets and the construction of new streets with funding from Homer Accelerated Roads and Trails Program (HART) funds; and

WHEREAS, Revising the formula for funding street reconstruction and new street construction from HART funds will provide a better incentive for property owners to participate in special assessment districts (SAD) for street reconstruction and new street construction; and

WHEREAS, Uniformity between HART and the Homer Accelerated Water and Sewer Program (HAWSP) with regard to the basis for allocating special assessments is desirable; and

WHEREAS, The HART Policy Manual is in need of updating and reorganization, and it would be appropriate to refer this matter to the Homer Advisory Planning Commission for its review and recommendations.

NOW, THEREFORE, BE IT RESOLVED that Paragraph III.A.1.j of the Homer Accelerated Roads and Trails Program (HART) Policy Manual is amended to read as follows (additions bold and underlined; deletions stricken through):

j. For special assessment districts initiated on or before May 10, 2016, property owner contribution through SAD process by paying \$30 per front foot for gravel and \$17 per front foot for paving cost of a residential standard street and the city pays all costs for

additional improvements deemed necessary. For special assessment districts initiated after May 10, 2016, property owner contribution through SAD process of 25% of project cost for street reconstruction or new street construction on an equal assessment per lot basis for cost of a residential standard street and the city pays all costs for additional improvements deemed necessary.

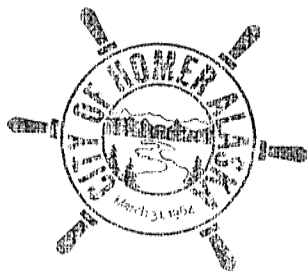
BE IT FURTHER RESOLVED that each of the Homer Accelerated Roads and Trails Program (HART) and Homer Accelerated Water and Sewer Program (HAWSP) Policy Manuals is amended to state that expenditures under each program are subject to the availability of funds, after maintaining a debt-service coverage ratio of 1.25 or above.

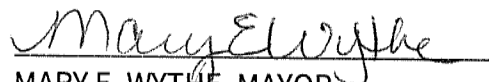
BE IT FURTHER RESOLVED that the Council refers to the Homer Advisory Planning Commission for its review and recommendations the subject of revising the HART Policy Manual to achieve the following goals: (i) update and improve the organization and readability of the HART Policy Manual; (ii) make policies in the HART Policy Manual as consistent as possible with the policies in the Homer Accelerated Water and Sewer Program (HAWSP) Policy Manual; and (iii) review project eligibility; (iv) provide for the funding of special assessment districts for sidewalks with HART funds; and (v) develop a matching grant program for small scale greenway trails.

BE IT FURTHER RESOLVED that the Council refers to the Parks and Recreation Advisory Commission for its review and recommendations the subject of revising the HART Policy Manual to develop a matching grant program for small scale greenway trails.

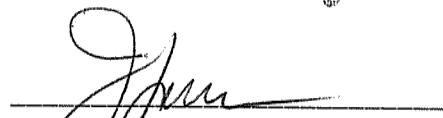
PASSED AND ADOPTED by the Homer City Council this 9th day of May, 2016.

CITY OF HOMER




MARY E. WYTHE, MAYOR

ATTEST:


JO JOHNSON, MMC, CITY CLERK

Fiscal Note: N/A

Fund 160 - HART Roads Reconciliation	FY 19 Actual	FY 20 Actual	FY 21 Actual	FY 22 Actual	FY 23 Actual	FY 24 Actual	FY 25 YTD
<u>Beginning Balance:</u>							
HART Roads	6,039,672	5,907,370	6,465,598	6,746,078	6,564,392	4,659,608	5,133,392
HART Roads Match	-	-	-	-	-	500,000	500,000
Beginning Balance	6,039,672	5,907,370	6,465,598	6,746,078	6,564,392	5,159,608	5,633,392
Revenue							
Sales Tax	1,503,204	1,261,822	740,980	1,652,656	1,694,524	1,713,223	1,164,396
Remote Sales Tax			-	79,249	111,782	96,366	67,393
Interest Income	180,137	152,136	(6,132)	(187,901)	91,697	309,465	158,645
Total Revenue	1,683,341	1,413,958	734,847	1,544,005	1,898,003	2,119,055	1,390,434
Transfers							
Transfer to GF for Roads Maintenance*	589,843	608,810		807,065	866,100	933,347	
Other Transfers	(2,270,275)	(1,217,620)	(272,200)	(1,774,809)	(1,913,084)	(1,967,765)	(168,779)
Total Transfers	(1,680,432)	(608,810)	(272,200)	(967,743)	(1,046,983)	(1,034,418)	(168,779)
Expenditures							
HART Roads	20,126	128,290	182,168	757,947	2,255,804	610,853	1,024,886
HART Roads GF Admin Fees	115,085	118,629	-	-	-	-	-
HART Roads Match	-	-	-	-	-	-	-
Total Expenditures	135,211	246,920	182,168	757,947	2,255,804	610,853	1,024,886
<u>Ending Balance:</u>							
HART Roads	5,907,370	6,465,598	6,746,078	6,564,392	4,659,608	5,133,392	5,330,162
HART Roads Match	-	-	-	-	500,000	500,000	500,000
Ending Balance	5,907,370	6,465,598	6,746,078	6,564,392	5,159,608	5,633,392	5,830,162
Fiscal Year Appropriations - HART Roads	65,097	1,265,000	1,128,910	4,254,772	957,105	2,998,667	199,510
Fiscal Year Appropriations - HART Match	-	-	-	-	-	-	-

*FY25 budgeted transfer to GF for Roads Maintenance is \$1,161,227

FY25	Authorized Expenditure	Authorizing Legislation
Add Funds for Beluga Slough Green Infrastructure Stormwater Treatment System Project	\$100,000	Ord 24-67, pending
Ohlson Ln & Bunnell Ave Road Reconstruction Project	\$2,000,000	Ord 24-61, pending
Safe Street \$ All Safety Action Plan Grant Match	\$14,510	Ord 24-49
Speed Monitoring Devices	\$40,000	Ord 24-46
Bayview Park Renovation Project	\$50,000	Ord 24-42
Mid-Biennium HART Roads Budget Adjustments	\$95,000	Ord 24-24(A)
FY24	Authorized Expenditure	Authorizing Legislation
Complete the Design of the Heath Street Pavement Restoration Project.	\$25,000	Ord 23-62
FY 2024 and 2025 Capital Budget HART Projects	\$2,973,667	Ord 23-23
FY23	Authorized Expenditure	Authorizing Legislation
Non-Motorized Opportunity Project on West Fairview Avenue.	\$110,000	Ord 23-35
Establish a HART Roads Match Reserves.	\$500,000	Ord 23-28
Beluga Slough Green Infrastructure Storm Water Treatment System Local Matching Funds.	\$81,313	Ord 23-16(S)
Pay the Remainder of this Assessment Owed from Lot 10-A-3, Bunnell's Subdivision No. 17 Replat, KPB Tax Parcel No. 175-133-52	\$15,432.52	Ord 23-13
On-Call Services Contract with the Kachemak Bay Conservation Society	\$25,000	Ord 22-77
Repair Alder Lane and Authorize an Increase in the East Road Services Indefinite Delivery Indefinite Quantity (IDIQ) Contract for this Work	\$40,000	22-69
Master Transportation Plan Update	\$185,368	22-38
FY22	Authorized Expenditure	Authorizing Legislation
Add Funds to Small Works Road Repair Program, the Small Works Drainage Program, and the Indefinite Delivery/Indefinite Quantity (IDIQ) Contract to East Road Services	\$511,228	Ord 22-27

Establish a Pavement Restoration Program	\$500,000	Ord 22-26
Establish a Non-Motorized Transportation Opportunity Program	\$750,000	Ord 22-25(A)
ADDL Funds for Construction of the Main Street Sidewalk Project	\$106,000	Ord 22-24
City's Assessment for the Seawall Improvement SAD	\$47,982.25	Ord 22-10
Appraisals & Technical Field Work to Support Green Infrastructure Projects	\$140,000.00	Ord 22-08
Development and Implementation of an Integrated Pest Management Plan and Authorizing a Task Order with the Homer Soil and Water Conservation District to Assist with the Work	\$25,000	Ord 21-60
FY 2022 and 2023 Capital Budget HART Projects	\$2,159,562	Ord 21-36(S-2)(A)
Update the City of Homer's Design Criteria Manual, Standard Construction Specifications, Standard Construction Details, and Reconcile Designated Elements of the Development Standards in Homer City Code	\$15,000	22-07

FY21	Authorized Expenditure	Authorizing Legislation
Addl Funds for Design of Phase 1 of the Mt. Augustine Road Drainage Improvement Project	\$180,657	Ord 21-39
Implementation of the Iris Court Drainage Improvement Project	\$150,000	Ord 21-38(S)
Purchase a Replacement Grader with Snow Gate and Snow Blade and Two Replacement Sanding Trucks	\$272,200	Ord 21-06
Woodard Creek Rehabilitation Project	\$463,353	21-08(S)
Betterment to the Main Street Storm Drain and Sidewalk-Pioneer Avenue North Project that will provide for an ADA Access to Bayview Park and Associated Storm Drain Improvements	\$12,700	21-12
Ground Water Research in the City Limits and Bridge Creek Reservoir Watershed	\$50,000	21-16(A)

FY20	Authorized Expenditure	Authorizing Legislation
-------------	-------------------------------	--------------------------------

Execute an Engineered Solution to Relocate the Surface Water Discharge at the Confluence of the Sterling Highway and Mount Augustine Drive into a Natural Occurring Raving, Gully, Watercourse or Runnel	\$97,000	Ord 20-85
Design and Construct Remedial Solutions for the Horizon Court Landslide	\$20,000	Ord 20-61(A)(S)
On-Call Services Contract with the Homer Soil and Water Conservation District	\$25,000	Ord 20-52
Woodard Creek Culvert Rehabilitation Project	\$350,000	Ord 20-40(A)
Small Works Drainage Improvement Program	\$110,000	20-34
Small Works Road Repair Program and calling for the development of a Roads Financial Plan	\$175,000	20-33
Planning, Design and Permitting of the Main Street Storm Drain and Sidewalk Project	\$98,000	20-32
Update the City's 1979 Drainage Management Plan	\$90,000	20-31(S)

City of Homer
Projects for Road Financial Plan
Updated - 12/28/24

	FY2025 Active Projects	FY2026 Dept Proposed	FY2027 Projected	FY2028 Projected	FY2029 Projected	FY2030 Projected
<u>Engineering/Design</u>						
Island View Ct off Town Heights	-	-	65,000	-	-	-
Kachemak Way Sidewalk Design	-	-	-	100,000	-	-
Shelford St Road Re-Alignment	-	-	-	40,000	-	-
<u>Pavement Restoration Projects</u>						
Ohlson & W. Bunnell Road, Water, Stormwater and Sidewalk	-	2,800,000	-	-	-	-
Heath Street (partial reconstruction)	-	-	1,500,000	-	-	-
Elderberry/Woodside - Repave	-	-	-	70,000	-	-
Hazel Ave/Poopdeck St - Repave	-	-	-	119,000	-	-
Tulin Terrace Blvd - Repave	-	-	-	105,000	-	-
Bay Avenue, B-Street & E Street	-	-	-	-	1,500,000	-
Island View Ct off Town Heights - Culverts and repave	-	-	-	-	-	650,000
<u>Pavement Projects</u>						
Fairview Avenue Pavement and Sidewalk (LID)	-	-	-	-	1,500,000	-
<u>Sidewalk Projects and Associated Construction</u>						
Ben Walters Sidewalk	1,200,000	-	-	-	-	-
HAPP Loop (City's contribution)	-	-	-	1,000,000	-	-
ADA Upgrades to Existing Sidewalks	-	-	100,000	100,000	100,000	100,000
Kachemak Way Sidewalk Construction	-	-	-	-	-	2,000,000
<u>Stormwater Projects</u>						
Beluga Slough Green Infrastructure	300,000	-	-	-	-	-
Kachemak Peatlands (Sponge) - Land Acquisition	518,100	-	-	-	-	-
Kachemak Peatlands (Sponge) - Appraisals	50,000	-	-	-	-	-
Kachemak Peatlands (Sponge) - Design	150,000	150,000	-	-	-	-
Kachemak Peatlands (Sponge) - Construction	-	-	-	10,000,000	-	-
Milikin/Fairview Culvert Replacement	-	100,000	-	-	-	-
Bidarki Creek Green Stormwater System	-	-	-	-	-	2,000,000
<u>Asphalt Roads (Contract Work)</u>						
Bayview Ct - Rebuild Cul-du-Sac	-	-	42,000	-	-	-
Calhoun Ct - Rebuild Cul-du-Sac	-	-	42,000	-	-	-
Fairview Dr (near Mulikin) - Culvert Replacement	-	20,000	-	-	-	-
<u>Other Road Related Projects</u>						
Replacement Fuel Island	350,000	-	-	-	-	-
Public Works Campus Conceptual Design	-	200,000	-	-	-	-
Sand Storage Shelter	-	-	100,000	-	-	-
Public Works Campus Site Preparation	-	-	300,000	-	-	-
<u>Gravel Roads (Inhouse Projects)</u>						
Lampart Lane Frost Boil Repair and Gravel	16,000	-	-	-	-	-
Campground Road Gravel, Ditching and Culverts	24,000	-	-	-	-	-
Jack Gist Parking Lot Surface and Drainage Improvements	32,000	-	-	-	-	-
Glacierview Court - Gravel, Ditch, Culverts	-	36,000	-	-	-	-
East Fairview Ave (Calhoun St. to Svedlund St.) - Rebuild Road	-	5,000	-	-	-	-
Skagit Circle - Gravel, Ditching and Culverts	-	24,000	-	-	-	-
Kalalock Ct - Gravel, Ditching and Culverts	-	13,000	-	-	-	-
Queets Circle - Gravel, Ditching and Culvert	-	12,000	-	-	-	-
Jennifer Place - Gravel, Ditching and Culverts	-	24,000	-	-	-	-
Jenny Way - Gravel, Ditching and Culverts	-	28,000	-	-	-	-
Race Road - Gravel, Ditching and Culverts	-	36,000	-	-	-	-
Saltwater Drive - Gravel, Ditching and Culverts	-	52,000	-	-	-	-
Highland Drive - Gravel, Ditching and Culverts	-	-	36,000	-	-	-
Hilfair Ct - Gravel, Ditching and Culverts	-	-	52,000	-	-	-
Tasmania Ct - Gravel, Ditching and Culverts	-	-	16,000	-	-	-
Latham Ln - Gravel, Ditching and Culverts	-	-	28,000	-	-	-
Rosebud Ct - Gravel, Ditching and Culverts	-	-	67,000	-	-	-
Aspen Ln - Gravel, Ditching, and Culverts	-	-	32,000	-	-	-
Mission Rd - Gravel, Ditching, and Culverts	-	-	-	175,000	-	-
Westwood/Wispering Pines - Gravel, Ditching, and Culverts	-	-	-	120,000	-	-

Gravel Roads (Contract Work)						
Meadow Dr - Partial Rebuild and Ditching	84,000	-	-	-	-	-
Jeffrey Ave - Gravel, Ditching and Culverts	-	195,000	-	-	-	-
Quinalt Ave - Gravel, Ditching and Culverts	-	48,000	-	-	-	-
Eagleview Dr - Gravel, Ditching and Culverts	-	83,000	-	-	-	-
Reber St - Culvert Replacement	-	15,000	-	-	-	-
Island View Ct - Culvert Replacement	-	15,000	-	-	-	-
Paradise Pl - Culvert Replacement	-	15,000	-	-	-	-
Orion Cir - Gravel, Ditching and Culverts	-	-	35,000	-	-	-
Spruce Ln - Gravel, Ditching, Culverts	-	-	82,500	-	-	-
Seabreeze/Krueth Way - Gravel, Ditching, Culverts	-	-	-	100,000	-	-
Hidden Way - Gravel, Ditching, Culverts	-	-	-	40,000	-	-
Shelford Street Road Re-Alignment - Rebuild, Ditching, Culverts	-	-	-	-	300,000	-

City of Homer Road Financial Plan

Road Financial Plan - Continued

[illegible]



MEMORANDUM

To: Mayor Lord and Homer City Council
Through: Melissa Jacobsen, City Manager
From: Daniel Kort, Public Works Director
Date: January 8, 2025
Subject: HART Worksession HART Roads project information

Introduction:

HART Roads and HART Trails are an instrumental tool in the Public Works Departments (PWD) ability to construct, maintain, repair and improve Roads and Trails. It has come to City Council's attention recently that the demands upon the HART Funds have grown, and the City needs to prioritize projects to ensure the Fund's health. The following information details current projects that are in the cue to draw money from this fund. Included are details on history in development of these projects, and some important details related to the projects. Additionally, included with this memo is the current draft of the Road Financial Plan.

Ohlson Lane & W. Bunnell Avenue Roadway and Water Improvement Project

Background – Ohlson Lane & W. Bunnell Avenue:

The Ohlson Lane & W. Bunnell Avenue Roadway and Water Improvement Project (Ohlson/Bunnell) has been in the works since at least 2021 when the Road Financial Plan was first introduced and these road surfaces were identified as having exceeded their useful life.

It is common practice nationwide to review all underground utilities in the design phase of road reconstruction projects. This is done for cost efficiency to prevent placement of road surface twice and reduction of mobilization costs. The utilities were investigated for this project and the findings were as follows:

Water - Water main below the roads in this project are cast iron pipe installed in 1965. Cast iron pipe have a reduced longevity in slightly acidic soils such as Homer. That wasn't well understood at that time of original construction. The water main is well beyond its life expectancy and has been subject to routine failure (water line breaks/leaks) over the past several years due to the age and corrosion of the piping.

Sewer – The sanitary sewer pipe below the roads are asbestos lined cement pipe that was installed in 1970 and was identified as a source of Inflow/Infiltration (commonly referred to as "I/I") many years ago. Asbestos lined cement pipes deteriorate over time

both due to soil conditions as well as due to the slightly acidic nature of wastewater. In 2011 the inside of the sewer pipe under Ohlson/Bunnell was lined with a polyethylene liner to reduce the I/I without excavating the roadway and replacing the pipes. Using “Value Engineering” during the Ohlson/Bunnell design, it was determined that the pipe lining would be sufficient for at least the life of the new asphalt road surface, so replacement of the sanitary sewer pipe at this time was not needed or included in the project.

Stormwater – Most of Ohlson/Bunnell has either surface stormwater conveyance (ditches), or no stormwater conveyance method at all which causes occasional localized flooding. The addition of curb and sidewalk and street parking to the project eliminates the possibility (space) for adding stormwater ditches, and thus necessitates expansion of the limited underground stormwater sewer pipe that does exist at the east end of the project. The limited amount of existing stormwater pipe is also in poor condition and is planned for replacement.

During public meetings held for the design of this project, there was significant public interest in adding a sidewalk and street parking. The addition of sidewalk and street parking to the project utilizes the entire Right-of-Way (ROW) and thereby requires subsurface stormwater conveyance under the entire project. Traffic calming was also requested, so speed humps similar to the ones in place at E. Bunnell Ave and Beluga Place accessing Bishop’s Beach were added.

Discussion – Ohlson Lane & Bunnell Avenue:

The PWD submitted loan applications to the State of Alaska Drinking Water Fund and State of Alaska Clean Water Fund in the hopes of securing Principle Forgiveness for each loan. The Principle Forgiveness effectively functions as a grant for all practical purposes. Fortunately, both of these loans ranked as high priorities and granted both loans with 100% Principle Forgiveness.

Clean Water Fund – The loan includes Principle Forgiveness in the amount of \$324,000 for the storm sewer line and the offer expires December 31, 2025. This means we have to execute the loan agreement prior to December 31, 2025.

Drinking Water Fund – The loan includes Principle Forgiveness in the amount of \$491,400 for the water main replacement and the offer expires September 30, 2025. This means we have to execute the loan agreement prior to September 30, 2025.

To answer some specific questions asked directly by Council Members:

1) Provide anticipated costs breakdown for the Project. How much is each component, such as replacement of the road, sidewalk, street parking?

The Engineer’s Estimate provided as part of the 95% design package does not isolate the costs for the pedestrian pathway, roadway, or the added street parking. It would take some effort for the engineer to back these numbers out from the estimate. It could

be possible not to construct the sidewalk as part of this project when bid, however this won't likely be a meaningful deduction. I estimate a possible savings of \$50,000 to \$80,000, however additional costs would be incurred to do a partial redesign of the project. That causes two problems, 1) we don't have the money to pay the engineer without another ordinance drawing more money from HART Roads, and 2) it will further delay the project and impact the ability to leverage the State Principle Forgiveness.

2) Will the sewer line also be upgraded?

This was evaluated, and there is no need to replace sewer line at this time.

3) If funds were limited, what is the minimum roadway reconstruction required to meet the parameters of the Grant? Could Ohlson be rebuilt as a gravel road and still meet loan requirements?

In theory the asphalt road surface could be deleted, but additional gravel will have to be purchased. It is likely that the additional costs would negate any gains made and the end result will be an inferior end product for nearly the same money. With a gravel surface it would be difficult to maintain storm sewer and road surface. Staff would be fighting gravel entering the storm sewer piping and would have a hard time maintaining a gravel road and drainage with concrete curb on either side. This is generally not an acceptable design, and I would advise to shelve the project rather than pursue this solution.

If the City decides to shelve this project for a later date, we could reapply for the loans in the future, but there is no guarantee that Principle Forgiveness will be granted again. It's important to note that the Principle Forgiveness is not guaranteed until you execute the loan documents, so until the loan documents are executed, the City is only "approved" for the defined Principle Forgiveness. As the "clock runs out" for the loans, the risk of the Principle Forgiveness going away or being reduced increases.

There are a combination of factors that create an urgency in getting this project to bidding during the early winter of 2024/2025.

- 1) The earlier a project is bid during the winter season (before contractors dance cards are full), the more aggressive the bidding environment. The PWD understands that a project of this size and nature will likely garner attention from local construction companies, as well as companies as far away as Anchorage creating a more competitive bidding environment.
- 2) The PWD understands the risk of losing the Principle Forgiveness for one or both loans. Losing this valuable Principle Forgiveness would mean the City would have to come up with the additional \$851,400 at a later date to construct the project if a future re-application for loans did not receive Principle Forgiveness.
- 3) The water main is on "borrowed time", so replacement of this water main is critical. This has been on the "radar" of the PWD-Utility Division for a long time. Even if the City chose to only

replace the waterline and shelve the rest of the project, the City would still have to re-pave the roads, so the cost savings is rather minimal and the City would not realize any other project gains such as stormwater improvements, parking, traffic calming, and sidewalk for pedestrian safety. The project would have to be re-engineered before bidding if the project was reduced, further delaying the project and likely losing the Principle Forgiveness.

Recommendation – Ohlson Lane & Bunnell Avenue:

The PWD recognizes that moving forward on this Project will have significant impact on the HART Road Fund, and moving forward with this project may result in postponement of other planned projects that are currently “in the cue”, such as Heath Street Rebuild and Bay Avenue Rebuild which are also shown in the Road Financial Plan. The PWD also recognizes that moving forward on this project may delay other intended in-house planned road projects. When factoring in the \$851,400 in loan Principle Forgiveness that is at risk, it seems like the reward outweighs the risk of postponement of this project. If the project gets shelved, the City will likely have to come up with the additional \$851,400 plus any inflationary costs that may occur while the project is on the “shelf”. It is the opinion of the PWD to move forward with this project.

Beluga Slough Green Infrastructure Project

Background – Beluga Slough Green Infrastructure Project:

This project was conceived in 2021 or 2022. The basis of the project is that stormwater runoff from a portion of the hillside of Homer that flows down Bunnell Avenue and discharges into the Beluga Slough carries substantial quantities of sediment that is filling in the Beluga Slough, and has substantial amount of petroleum products that are polluting the Slough as well as Kachemak Bay.

There currently is no regulatory framework that requires a city the size of Homer to treat stormwater. The consideration for moving forward with this project was that someday the regulations may change and Homer would be ahead of the regulations by already having this treatment unit in place. The current regulations state that municipalities having a census population over 100,000 people must obtain a stormwater discharge permit. However, the Coastal Zone Act Reauthorization Amendments Section 6217 have been “in the cue” since before 2011 which will apply to Homer and 13 other Alaskan communities to stormwater regulation. Alaska has not implemented this new Coastal Non-Point (CNP) Program yet, and I have not heard any conversations indicating the State has immediate intent on implementation of this program.

A grant application was submitted with the State of Alaska Department of Environmental Conservation (ADEC) under the Alaska Clean Water Action Grant (ACWA). The City was awarded this grant in the amount of \$153,307 with the City contributing a match of \$107,182 for a project total of \$260,489. The City’s contribution of \$107,182 was comprised of \$83,388.44 from HART Roads, and \$23,792.43 from Employee wages in-kind services. The City did not expend the full \$23,792.43 of in-kind wages, and were allowed to pay for consultant fees to make up this shortfall.

The Grant expired on June 30, 2024 and the City petitioned the ADEC to extend the ACWA Grant because the design or construction were not complete. The ADEC granted the extension to June 30, 2025, stating there would be no further extensions.

Resolution 23-104 authorized a contract with Jay Rand for \$85,000 with a local contractor to construct the Concrete Vault for the stormwater treatment device. Unfortunately, the agreement excludes any expenses related to winter construction. The contractor has informed the PWD that the additional cost for winter construction will be an approximate addition of \$XXXXXX to \$XXXXXX.

Resolution 23-103 authorized a sole source contract with Fritz Creek Welding for \$18,000 to construct the internal components to be installed inside the concrete vault. Coble Engineering who was contracted to design the treatment facility in Resolution 23-041 was still working on the design of the internal components as of January 8, 2025. It's anticipated that the cost estimate of \$18,000 will increase. The PWD has requested the design be finalized and a firm cost estimate be provided no later than January 10, 2025 in preparation for this conversation.

The excavation portion of this project is currently out to bid. The estimated cost is approximately \$100,000, with the bids due on January 13, 2025.

There currently is pending legislation, Ordinance 24-67, appropriates an additional \$100,000 from HART Roads to augment the existing funding to complete this project. Depending upon the bids received for excavation, the additional costs associated with winter construction, and the possibility for additional costs for the internal components of the concrete treatment vault, this legislation may need to be modified to include additional costs beyond the current \$100,000.

Discussion – Beluga Slough Green Infrastructure:

While the proposed treatment unit is likely to have some added benefit to the Beluga Slough, it comes at a great expense and is not currently required by regulations. Like mentioned previously, Homer may be required to provide stormwater treatment at some point in the future. While this may be the case, there is no indication that the ADEC is moving forward with the CNP Program anytime soon and this proposed CNP Program has been in the queue for approximately 15-years.

Part of the ACWA Grant requirement was for the City to collect stormwater samples for analytical analysis before construction of the treatment unit, and samples after construction of the treatment unit, then submit a report describing the improvement in water quality being discharged to the Beluga Slough. Resolution 23-041 tasks Coble Geophysical with collecting this baseline data. Generally speaking, the stormwater contained minimal total suspended solids, and the petroleum contaminants were either absent, or so low they were below the level of quantification by the laboratory equipment. So this indicates that the water quality before the addition of the treatment unit is actually quite clean and may be already meeting whatever future water quality limits are proposed by the CNP Program.

With that being stated, the implementation of this treatment unit will certainly make an improvement to the water quality. However, the question remains whether the improvements are necessary when compared to the steep financial investment. Once the CNP Program is implemented, we may find that no treatment is necessary to meet the future limits of the program. Further, upon the completion of this project we will have a designed treatment unit that costs approximately six times as much as a standard “off the shelf” conventional stormwater treatment unit that is currently being used in Anchorage to meet their stormwater permit.

Related to this conversation, it is very likely that once this new CNP Program is implemented by the State, management of this program will likely require additional staff to manage the program for the City. This is purely speculative, but I suspect the delay in implementation of this new Program is due to the State recognizing the capital costs and operational management costs this proposed CNP Program will have on the 14 rural communities in Alaska.

Recommendations – Beluga Slough Green Infrastructure Project:

It is the opinion of the PWD that this project be shelved until the regulations for this new CNP Program are promulgated. Once the State’s CNP Program is in place, we can make certain the solution fits each outfall identified in the Permit rather than building the infrastructure in advance of the Program and the associated rules and hoping it fulfills the future requirement.

Kachemak Peatlands Green Infrastructure Project

Background – Kachemak Peatlands Green Infrastructure Project

This project was initiated in 2021. From the information shared with me and through my research, this project kicked off with the intention to conserve the existing Kachemak Peatlands for moose habitat conservation. As the efforts for Green Infrastructure storm water treatment were gaining traction, the potential value of the Peatlands for storm water treatment were recognized by the City. At this point, the concept was morphed into the Kachemak Peatlands Green Infrastructure Project. During my tenure at the City, there has been conversation relating to how this project will be treating the water coming off the eastern hill side related to the recent flooding and landslide events around East End Road.

Discussion – Kachemak Peatlands Green Infrastructure Project

I am aware that there is approximately \$418,000 already coming from HART Roads and another \$100,000 proposed from HART Roads to support the procurement of land related to this project. The City has contracted with a consultant to develop conceptual designs for the proposed treatment system upstream of the peatlands. This treatment system is necessary to prevent sediment from entering the peatland and destroying this natural resource, and providing some storm water treatment prior to entering Kachemak Bay. Of the property proposed for purchase, none of it is actually peatland other than a small portion of the furthest south east 2.5-acre parcel.

The original estimated cost for construction of the proposed treatment works was estimated to be approximately \$2,000,000. Now that some conceptual drawings are available, the drawings indicate that there will be significantly higher.

- 30,000 to 40,000 Cubic Yards of excavation (1,500 to 2,000 side-dump truck loads);
- over 2000 feet of buried piping;
- up to 9 Concrete distributor vaults; and
- approximately 5,000-feet (nearly a mile) of heavy duty maintenance road to maintain the infrastructure.

Most of this property is likely to be classified as wetland, therefore the excavated materials will likely have to be hauled out for offsite disposal. By my estimation, the construction costs for this project are likely to approach the \$8,000,000 to \$10,000,000 range with no grant opportunities currently identified. Beside the cost, the cost of maintenance must be factored into the decision. The design has 8 settling ponds for sediment that have estimated dimensions of 50-ft by 100-ft and one settling pond with dimensions of 100-ft by 300-ft based on the drawings. These ponds will need periodic maintenance which means dredging. The City would have to determine how to do this maintenance, which will likely mean contracting out to a dredging service to do the work. The long-term operation and maintenance of this structure could be in the range of \$100,000 to \$500,000/year or possibly more.

Since the proposed storm water infrastructure is well downstream of East End Road and adjacent to the boatyard, this treatment infrastructure will do nothing to alleviate the City from the impacts of the recent storm events that impacted East End Road. More beneficial efforts to alleviate those impacts would be on private property uphill of East End Road in some sort of Public/Private partnership effort.

Recommendations – Kachemak Peatlands Green Infrastructure Project

The PWD recognizes that the Kachemak Peatlands has value in treating storm water as well as habitat value. However, the PWD does not feel the City can afford to take on such a lofty project that does not have any current regulatory mechanism behind the effort or any identified funding support. When the regulations do become established, a much cheaper solution is likely available for application to these outfalls to Kachemak Bay.

Further, there has been a recent question whether the PWD can utilize HART Roads funds for the purchase of equipment used for the construction and maintenance of Roads. With that understanding, the PWD questions if it is appropriate for the use of HART Roads funds for the purchase of land for “land conservation or moose habitat” purposes with the understanding that the City likely does not have the financial capacity to build the proposed storm water infrastructure.

Therefore, the PWD recommends the City Council consider shelving this project, but continuing to work with NOAA towards the purchase of some property for habitat conservation with existing grant funds. This would satisfy the City’s obligation under the current NOAA grant. While the storm water portion of the project is shelved, staff could work with the consultant to scale back the proposed

design to a more manageable conceptual design based off of measured flow data so the settling basins are appropriately sized for flow and sediment load. The PWD suggests the possibility of continuing the land purchase of property being used with money other than HART Roads to preserve potential property from development until a more manageable storm water concept can be designed, at which time HART Roads could reimburse the alternative City Fund.

Road Financial Plan

Background – Road Financial Plan:

In 2021 former PWD Director introduced the concept of “The Road Financial Plan” to the Homer City Council as a valuable planning tool. I appreciate this effort, as I would have started from scratch if it didn’t already exist.

Discussion – Road Financial Plan:

I’m continuing work on updating the plan to reflect updates since 2021 and while it’s mostly complete and for the HART work session I’ve provided a summary draft that shows a new project list lays out the list of intended work, and a projected timeline of when the work may happen.

Recommendation – Road Financial Plan:

No recommendations – Provided by Request

Fund 160 - HART Roads Reconciliation	FY 19 Actual	FY 20 Actual	FY 21 Actual	FY 22 Actual	FY 23 Actual	FY 24 Actual	FY 25 YTD
<u>Beginning Balance:</u>							
HART Roads	6,039,672	5,907,370	6,465,598	6,746,078	6,564,392	4,659,608	5,133,392
HART Roads Match	-	-	-	-	-	500,000	500,000
Beginning Balance	6,039,672	5,907,370	6,465,598	6,746,078	6,564,392	5,159,608	5,633,392
Revenue							
Sales Tax	1,503,204	1,261,822	740,980	1,652,656	1,694,524	1,713,223	1,164,396
Remote Sales Tax			-	79,249	111,782	96,366	67,393
Interest Income	180,137	152,136	(6,132)	(187,901)	91,697	309,465	158,645
Total Revenue	1,683,341	1,413,958	734,847	1,544,005	1,898,003	2,119,055	1,390,434
Transfers							
Transfer to GF for Roads Maintenance*	589,843	608,810		807,065	866,100	933,347	
Other Transfers	(2,270,275)	(1,217,620)	(272,200)	(1,774,809)	(1,913,084)	(1,967,765)	(168,779)
Total Transfers	(1,680,432)	(608,810)	(272,200)	(967,743)	(1,046,983)	(1,034,418)	(168,779)
Expenditures							
HART Roads	20,126	128,290	182,168	757,947	2,255,804	610,853	1,024,886
HART Roads GF Admin Fees	115,085	118,629	-	-	-	-	-
HART Roads Match	-	-	-	-	-	-	-
Total Expenditures	135,211	246,920	182,168	757,947	2,255,804	610,853	1,024,886
<u>Ending Balance:</u>							
HART Roads	5,907,370	6,465,598	6,746,078	6,564,392	4,659,608	5,133,392	5,330,162
HART Roads Match	-	-	-	-	500,000	500,000	500,000
Ending Balance	5,907,370	6,465,598	6,746,078	6,564,392	5,159,608	5,633,392	5,830,162
Fiscal Year Appropriations - HART Roads	65,097	1,265,000	1,128,910	4,254,772	957,105	2,998,667	199,510
Fiscal Year Appropriations - HART Match	-	-	-	-	-	-	-

*FY25 budgeted transfer to GF for Roads Maintenance is \$1,161,227