



MEMORANDUM

Trail Projects and Trails Financial Plan

To: Mayor Lord and City Council
Through: Melissa Jacobsen, City Manager
From: Daniel Kort, Public Works Director
Date: May 16, 2025

Background:

There has been a lot of interest in a host of trail projects and the Public Works Department has updated the Trails Financial Plan in a new format from the 2023 version. There are numerous independent plans among the Parks Division of the Public Works Department (PWD), City Council, Parks, Art, Recreation & Culture Advisory Commission (PARCAC), Trails Groups, and the public, so we saw this as an opportunity to discuss priorities so everyone is aligned. The updated draft includes new projects and other priorities that have come to light since then.

Discussion:

The Trails Financial Plan is a valuable planning document that maps our efforts, so we can plan out work and stay within a budget without exhausting our HART Trails funding.

The updated draft of the Trails Financial Plan attached to this memo was used to detail out some project specific information so the City Council can provide thoughtful and informed guidance on priorities.

Draft Trail Financial Plan

From Memorandum 17-133, I used 2017 sales tax contribution data of approximately \$130,000/year as a starting point for the annual deposit into HART Trails. I further plugged in the recommended trail maintenance number of \$78,400 for FY26 and added a 2% annual inflation factor to that number for subsequent years.

A Trail Maintenance line item of \$30,000 was added for each year which represents minor annual trail maintenance projects such as re-surfacing of trails, reestablishment of trail width, and brushing to maintain trail width.

The following section is where new trail planning, design, and construction are shown for each year. At the bottom of the sheet we tally the Net expenditures on trails for the year. We take the beginning

fund balance, subtract the net expenditures, add the Projected Sales Tax into the Fund to calculate the Year Ending Fund Balance. This Year Ending Fund Balance is carried forward into the next year's Beginning fund balance.

I added all of the proposed and planned projects to the new construction list of the following large scale projects under consideration:

- The Diamond Creek Recreational Area (DCRA) Trails Phase I(a) through Phase IV;
- Karen Hornaday Park Trails;
- Streamhill Park/Mission Road Trail (possibly under consideration);
- Hospital/Hornaday Park Trail and Bridge Reconstruction;
- Beluga Lake Trail;
- Bay Avenue Trail/Sidewalk Connector;
- Tundra Rose to Hornaday Park Trail Connector.

The allocation of the Homer Accelerated Road and Trails fund that goes directly to trails is 10% and the current balance is not enough to accomplish this list along with annual trail maintenance so it will be helpful to discuss and prioritize these projects in the Trails Financial Plan.

Some of the proposed projects may be eligible for grant funding opportunities (such as the DCRA), however for the purpose of this planning tool, that was not factored in.

Diamond Creek Recreation Area (DCRA) Trail Update

The State of Alaska Department of Transportation (DOT) will be completing Sterling Highway improvements from Anchor Point to Ocean Drive over the 2025 and 2026 construction seasons. Trails advocates, including the Homer Trails Alliance (HTA) and the City have interest in a pedestrian culvert being installed as part of the 2026 phase of the DOT project to provide a safe crossing of the Sterling Highway to the DCRA. This is an objective that's identified in the DCRA Plan that was adopted by the City in 2013 after the City acquired lands in the area through the Forest Legacy Program.

Council adopted Ordinance 24-06(A) to appropriate funds to contract engineering services for preliminary design of non-motorized trails and trailhead connecting City of Homer Diamond Creek property to the proposed highway underpass to demonstrate to the State of Alaska Department of Transportation (DOT) the City's strong interest in connecting the DCRA to the Diamond Creek State Recreation Site (DCSRS). Time is of the essence for this effort as the Sterling Highway design is nearly complete and we estimate that the City has approximately 6 months or less to get the easements in place.

The conceptual design project was completed showing the trail crossing two private properties that would require property owners to grant easements to the City. The City has attempted to contact these two property owners and has received no response other than a rejected certified mailing from one. This is a pretty firm indication that the City will be unable to secure easements across private property to make the trail connection for the pedestrian tunnel.

A representative from the HTA who is a retired Alaska DOT engineer and manager, met with current Alaska DOT management to make the case for construction of the trail within the highway right of way (ROW) and utilizing the maintenance access road for a portion of this trail segment. While not being a direct participant to this conversation, it is my understanding that this concept was not embraced by the Alaska DOT as a possible solution.

The City has started looking at an alternative future route for connecting the DCRA with the DCSRS through the proposed pedestrian tunnel that uses existing platted easements adjacent to City property that could provide DOT with assurance of intended trail connection.

The HTA, through the PARCAC has submitted a budget request for \$250,000 of Homer Accelerated Roads and Trails (HART) Trails funds towards a match for an anticipated Rasmussen Grant. This funding is to construct the Green Timbers Trailhead Parking Lot and the portion of the trail connecting to the DCSRS. This request for funding represents approximately 2-years of projected sales tax that is deposited into the HART Trails Fund, discounting the fact that the City already draws approximately \$100,000 annually for trail maintenance.

Some challenges inherent with this project are as follows:

- The City does not have consent from the private property owners to secure easements through their properties.
- The conceptual design that indicates 5 phases outlined in the development plan will have to be revised without private property owner participation.
- The cost to fully develop the trail system in the DCSRS likely exceeds the \$500,000 in City and grant funding.
- The City is being asked to provide \$250,000 without a clear plan for how it will be used, nor has the cost for the initial project been estimated.
- It is not clear that HART Trails money can be used for a Trailhead Parking Lot according to the HART Policy.

Karen Hornaday Park Trail and Tundra Rose Connector Trail

As everyone is aware, the City has purchased 20-acres above Karen Hornaday Park, which shares a boundary with the park as well as 10-acres of City land that was previously inaccessible. This makes 30-acres of new property that is contiguous with Karen Hornaday Park.

There are a lot of folks “chomping at the bit” to begin developing a trail network on this property. The PWD Parks Division is equally excited about the prospect of this trail network supplementing the offerings of this park and complimenting the park and campground. This is a very unique opportunity that the City should be focused on and excited about.

The City just took ownership of this property. The PWD has been trying to keep the community of “trail builders” from taking matters into their own hands and cutting trails in without the PWD’s blessing because the City does have Code pertaining to development on steep slopes. Due to the steep slopes of this property, the PWD would like to work with an engineer to design this trail network

responsibly so we don't create a situation for potential landslides. PWD intends to submit this trail design to PARCAC for comments prior to constructing what is expected to be a beautiful trail loop system on the property with several green spaces where the trail can showcase the dramatic views of Kachemak Bay and mountain vista's.

There has been interest expressed in connecting this property with a trail continuing uphill to the top of the ridge. This trail would likely require several trail easements onto private property. At this point, this trail extension is very theoretical and not fully vetted. While theoretical, there is a new proposed subdivision on Tundra Rose as well as one property owner who may be interested in granting a trail easement, leaving only one section of approximately 345-ft of trail alignment in question (of whether a trail easement would be possible). If this could be worked out, there could be a trail linkage that extends from Karen Hornaday Park linking all the way to Tundra Rose Rd., providing walkable access from downtown to Skyline Drive.

Streamhill Park to Mission Road Trail

The City has been in conversations with groups on Mission Road who are interested in getting water and sewer service. In order to facilitate this desire, the most cost effective solution would be to connect water and sewer through Streamhill Park. In order to do this, a utility easement would need to be developed crossing Streamhill Park subdivision owned land and private property. These negotiations are very preliminary and fragile, but there did appear to be some interest in this concept with the possibility of the City taking over and improving the trail network that is already developed on the Streamhill Park subdivision land. The City would then be required to construct additional trail up to Mission Road. This would provide a trail system that gets hikers to nearly the top of the ridge near East Hill Road.

This new trail, if it ever comes to fruition, is likely to be an expensive trail to construct due to the steep slopes and acquisition of the easements. The PWD would also have to determine the costs for improving the existing trail network. Recent conversations with the Streamhill Park Home Owners has gone away from the City taking over the Streamhill Park Trails, however this was left in the planning queue, because it could always come back to being possible.

It is way too early to make a cost estimate of this trail; however, we'd anticipate this project being in the \$300,000 plus neighborhood.

Hospital/Karen Hornaday Park Trail and Bridge Reconstruction

A trail linking the Hospital with Karen Hornaday Park, including a bridge crossing Woodard Creek was constructed a few years ago with volunteer labor. Due to the soil, slopes, and trail design, the trail is eroding into Woodard Creek, and the bridge is becoming unsafe for pedestrian use due to deterioration and will need to be closed for safety very soon. Public Works is monitoring the condition of this trail and bridge closely. The Public Works Department is planning to do a formalized engineering design of this trail and bridge with the hopes that we can leverage expertise to provide a trail that is more robust and long lasting without the trail eroding into Woodard Creek.

Beluga Lake Trail

The Beluga Lake Trail is a newly discovered trail easement that dates back to the 1980's that is a shared easement with the sanitary sewer that is on the north side of Beluga Lake. We need to do more Title research to determine the length of this trail easement. We discovered this trail easement as part of another effort, and learned that what was originally thought to be a Utility Easement is actually written as a Public Use and Utility Easement. If this easement is found to extend the full distance of the sanitary sewer pipe, it would give the City the opportunity to construct a new trail extending from the area near McDonald's all the way to near Jack Gist Park.

This could be an awesome trail that would provide alternatives to pedestrians walking down the East End Road Trail/Sidewalk. This potential project is in its infancy, and when confirmed, may cost several millions to construct, and likely would be constructed in several phases over many years unless a grant opportunity is found.

Bay Avenue Trail/Sidewalk Connector

This project was purely conceptual until the approval of the Doyan development. The vision of this project would be to:

- connect the sidewalk/trail that crosses the Beluga Slough/Beluga Lake as Lake Street splits the two areas; and
- continue this trail down Lake Street, possibly using an undeveloped road ROW and using a trail easement to cross two properties to reach Bay Avenue; and
- continue a sidewalk down Bay Avenue to the Doyan property, using the newly proposed Doyan ADA Sidewalk/Trail and eventually pass through the Doyan property to a Sterling Highway pedestrian crossing to the Homer Spit Trail.

This proposed Trail would complete a missing link from Downtown to the Homer Spit Trail, divert pedestrian traffic away from the busy Ocean Drive corridor, and go a long way towards improving pedestrian safety. This is purely a conceptual trail/sidewalk alignment that PWD has not vetted through the City Council or PARCAC yet.

Summary:

The intention of this information memorandum is to introduce Council to the new format of the Trail Financial Plan and stimulate conversations on trail priorities, as well as, update Council on proposed projects and their current status.

Fund 165 - HART Trails
Public Works Department

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(G) Grant Funded