



# MEMORANDUM

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## 2026-2031 Capital Improvement Plan Review Worksession

**Item Type:** Action Memorandum  
**Prepared For:** Mayor and Homer City Council  
**Date:** August 28, 2025  
**From:** Jenny Carroll, Special Projects & Communications Coordinator  
**Through:** Melissa Jacobsen, City Manager

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The City's Capital Improvement Plan (CIP) for 2026-2031 has undergone review by staff and City Advisory Commissions and Boards and is ready in draft form for your review at a September 8, 2025 worksession. The purpose of the worksession is to give you an opportunity to review recommendations and provide feedback regarding CIP updates so that staff can prepare a final CIP draft and Resolution for your consideration and adoption at the September 22, 2025 Regular City Council meeting.

**BACKGROUND** The CIP is the City's six-year document that forecasts and describes community priorities for capital improvements. It contains written descriptions of City prioritized projects; five of the projects in the Legislative Priority section will be submitted to our State Legislators, and as eligible, up to five will be submitted to our Federal Delegation and appropriate agencies so they have the information necessary to make decisions regarding appropriation requests.

### **OVERVIEW OF CIP UPDATES** (which are also indicated in red font in the draft CIP)

Two City of Homer projects have been funded in the City's FY26/27 Capital budget and will be removed from the CIP:

- Bayview Park Homer Public
- Library Sliding Security Gate

Substantial project revisions/updates:

#### FY26 Legislative Priority Projects

- The Homer Harbor Expansion General Investigation (GI) is anticipated to reach a tentatively selected plan in 1<sup>st</sup> quarter 2026, will now include 35% design development before concluding with a Chief's Report and US Army Corps of Engineers' recommendation in first or second quarter 2027. When the budget for this new phase for the GI is complete, It will be added to the CIP. Also, if

recommended, Phase 3, Project Engineering and Design (PED) would commence in FY27. Costs for the PED phase are shared 90% Federal, 10% local sponsors.

- The Homer Harbor Float Systems 4 Replacement project has gained traction with funding. Representative Mark Begich included \$250,000 in the pending House Transportation, Housing and Urban Development Appropriations Subcommittee; Denali Commission grant funding is allowing the City to proceed with full design, engineering and permitting; and a FY25 Port Infrastructure Development grant application for construction funding will be submitted September 10, 2025.
- The A-Frame Water Transmission Line Replacement project has been approved for loan assistance in the amount of \$1,331,882, with 100% principal forgiveness, through the Alaska Department of Conservation Clean Drinking Water Revolving Loan Fund. An appropriation request for \$973,868 (forwarded by Representative Begich) is also pending in the House Interior and Environment appropriations bill.

#### Mid-Range Projects

- The Homer All-Ages and Abilities Pathway is recommended to return to the CIP. FY23 Transportation Alternative Program funding awarded by Alaska Department of Transportation & Public Facilities last year will only partially complete the Homer All-Ages and Abilities Pathway; staff recommend returning this project to the CIP.

Several new projects have been proposed for inclusion in the CIP. They are contained in a separate document and will only be included in the CIP upon Council approval of motions that identify the specific projects to be added.

#### **ACTION ITEM RECOMMENDATIONS FOR THE SEPTEMBER 8, 2025 WORKSESSION:**

- 1) **Review, discuss and provide feedback regarding recommended CIP project updates** so that staff can prepare a final draft of the CIP. Substantive updates and/or recommended changes from last year's CIP are indicated in red font.
- 2) **Review and discuss projects proposed to be removed and proposed new projects.** When Council formally adopts the CIP, the Resolution identifies any new projects to be added to the CIP, AND projects to be removed.
- 3) **Discuss Legislative Priority Projects.** Please discuss projects to include in the Legislative Priority section. As a reminder, Legislative Priority projects designated by City Council for consideration for State Capital requests, Congressionally Designated Spending (CDS), or Federal appropriation requests. Staff will submit up to five Legislative Priority projects for consideration if they meet nuanced eligibility criteria set out by the appropriations committees. Additional criteria for Federal appropriations include that the projects have broad public impact, are a public health and safety need not a want, have gone through the planning/design phase, or at least have conceptual designs and a budget in place, and show City and possibly State investment and/or match funding.

Five Legislative Priority projects are also submitted to our State legislators through the State's online CAPSIS system to be considered for State capital funding through Designated Legislative Grants.

Leveraging outside funding for large capital improvements often takes years to accomplish. Recognizing this, Council has often elected to maintain Legislative Priority projects year over year until the projects are funded, as long as they remain relevant to community plans and needs. Nine projects provide City staff with sufficient flexibility to select projects that maximize alignment with State and Federal eligibility criteria.

To aid Council's discussion and your individual Legislative Priority selections, the City's advisory bodies provide the following Legislative Priority project recommendations:

<b>Legislative Priority Project Recommendations</b>				
<b>Commission/Board</b>	<b>#1</b>	<b>#2</b>	<b>#3</b>	<b>Other/Notes</b>
Planning	Homer Harbor Expansion	New Public Works Campus	Homer Harbor Critical Float System Replacement	
Port & Harbor	Homer Harbor Expansion	Homer Spit Erosion Mitigation	Homer Harbor Critical Float System Replacement	
Economic Development	Homer Spit Erosion Mitigation	Homer Harbor Critical Float System Replacement	Comprehensive Draining Management Plan	<u>Tied for #3:</u> Steel Grid & HERC Clean-Up
Library Advisory*	Library Siding	Multi-Use Community Recreation Center	Engineering Study for HPL Remodel	
ADA	City Hall ADA Access <b>with</b> Removing City Facility Access Barriers	Homer All-Ages & Abilities Pathway	Heath Street Rehabilitation	
Park, Arts, Recreation & Culture	Multi-Use Community Recreation Center	Diamond Creek Trail and Trailhead**	New Skate Park***	

\*The Library Advisory Board selections in the table represent the Board's consensus on the slate of

Legislative Priority Project nominations they will vote on at their next meeting, September 16. Staff will update City Council on any changes to the LAB's selections at the September 22, 2025 City Council Meeting.

**\*\***The Diamond Cree Trail and Trailhead project is in the Other Organizations section of the CIP.

**\*\*\*** The New Skate Park is a new project proposed by the Friends of the Homer Skate Park for the Other Organization Section at PARCAC's August 21, 2025 meeting and has not had time to be vetted through Public Works Department or Community Development.

PARCAC passed additional motions that supported the change to the Sterling Highway Milepost 169-175 Drainage Improvements project in the State section of the CIP, as well as supporting the inclusion of the New Homer Skate Park project in the Other Organizations section of the CIP. Staff liaison Mike Illg conveyed that the New Homer Skate Park could be on the city's future CIP list after it is vetted and the details/agreements are more defined, as this would likely become city owned infrastructure if indeed it is constructed.

They also wanted to convey to City Council that that the Jack Gist Park improvements, Karen Hornaday Park improvements and the Homer All Ages Pathway project also received support as PARCAC alternatives for the proposed FY27 CIP.

- 4) **After discussion, Mayor and each Council Member please submit your individual top nine project selections to me (in order of rank #1-9) either at the end of the September 8th worksession or by email ([jcarroll@ci.homer.ak.us](mailto:jcarroll@ci.homer.ak.us)) no later than Monday, September 15, 2025.** I will tally your recommendations into a prioritized list in the CIP adoption resolution for your approval in advance of the September 22nd Council Meeting.

I look forward to hearing back from you and incorporating your recommendations into the final draft.