

**CITY OF HOMER
HOMER, ALASKA**

*Intro. 7/28/25
Public Hearing
8/11/25*

Aderhold/Davis

ORDINANCE 25-52

AN ORDINANCE OF THE CITY COUNCIL OF HOMER, ALASKA AMENDING HCC 9.16.010 TO PROVIDE FOR AN INCREASE OF 0.3% SALES TAX, FOR A TERM OF EIGHT YEARS, FOR THE PURPOSE OF FINANCING THE ACQUISITION AND CONSTRUCTION OF A MULTI-PURPOSE COMMUNITY RECREATION FACILITY, AND SUBMITTING THE QUESTION OF SUCH SALES TAX INCREASE TO THE QUALIFIED VOTERS OF THE CITY AT THE REGULAR ELECTION TO BE HELD IN THE CITY ON OCTOBER 7, 2025.

WHEREAS, the City of Homer, Alaska ("City") is a first class city organized and existing under the Constitution and laws of the State of Alaska and may exercise legislative power not prohibited by law and the City has determined that matters set forth in this ordinance are not prohibited by law; and

WHEREAS, Under the provisions of AS 29.45.700(b) and AS 29.45.670, the City may increase the rate of its sales tax only after an ordinance authorizing the increase is approved by a majority of those voting on the question at a regular or special election; and

WHEREAS, On June 26, 2018, City voters authorized an increase in the City sales tax in the amount of 0.3% ("Police Station Sales Tax") for purposes of paying debt service on its General Obligation Police Station Bond, 2009 Series A ("Police Station Bond"), proceeds of which financed the acquisition and construction of a new police station; and

WHEREAS, the Police Station Sales Tax expires on December 31 of the calendar year in which the Police Station Bond is paid in full; and

WHEREAS, The City anticipates it will have sufficient funds to pay all principal of and interest due on the Police Station Bond in 2026 thereby resulting in the termination of the Police Station Sales Tax on December 31, 2026; and

WHEREAS, A need for a new multi-purpose recreational facility ("Project") has been determined; reports relating to the existing Homer Education and Recreational Center (HERC 1 and HERC 2) have revealed that both buildings contain hazardous material, as expected due to their age and prevailing construction materials utilized in the 1950s; and

WHEREAS, the Project, when completed, is intended to provide residents with space for sports, fitness, cultural activities, education and promoting health and community connection for residents; and

WHEREAS, the City Council has determined that the Project will promote the public interest; and

WHEREAS, The City Council views the acquisition and construction of the Project as necessary and beneficial to the community, and determines that the City should begin accumulating funds to finance Project costs; and

WHEREAS, To assist in financing costs of the Project, use of funds generated from a 0.3% sales tax ("Project Sales Tax") will be dedicated to payment of Project costs and has been determined to be in the best interest of the City; and

WHEREAS, the Project Sales Tax would be collected for a term of eight (8) years commencing on January 1, immediately following termination of the Police Station Tax on December 31, and terminating on December 31st of the eighth year; and

WHEREAS, Submitting the aforementioned question to the voters at the next general election will ensure that construction of the Project is supported by the majority of voters.

NOW, THEREFORE, THE CITY OF HOMER ORDAINS:

Section 1. Homer City Code 9.16.10 is amended to read as follows (deleted language stricken, new language bolded)

9.16.10 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 of one 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 of one 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.

d. An additional consumer's sales tax in the amount of thirty-five hundredths of one 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 public safety operations and infrastructure within the City, including without limitation construction of a police station, with three-tenths of one percent of the sales tax rate providing funds to pay debt service on general obligation bonds authorized by Ord. 18-26(A)(S)(A) and expiring on December 31st of the year when the City has received sufficient funds from that sales tax rate to pay all of that service.

e. An additional consumer's sales tax in the amount of three-tenths of one 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 the acquisition and construction of a multi-purpose recreational facility within the City, commencing on January 1 of the year following expiration of the three-tenths of one percent of the sales tax used to pay debt service on general obligation bonds authorized by Ord. 18-26(A)(S)(A) and described in Section 9.1.10(4) above, and expiring on December 31st of the eighth year of collection of such tax.

f. The funds and fund activities of subsections (a) through (d) (e) of this section shall be separately accounted, and there shall be quarterly reports to the Homer City Council reflecting each fund's inflows and outflows, marked against their respective budgetary histories and projections.

Section 2. A regular election shall be held in and for the City on October 7, 2025, 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. ____

INCREASING THE SALES TAX BY 0.3% FOR A MULTI-PURPOSE RECREATIONAL FACILITY

Shall the City of Homer enact, for a term of eight years, a new three-tenths of one percent (0.3%) sales tax for purposes of acquiring and constructing a multi-purpose recreation facility, with an effective date following the expiration of the existing three-tenths of one percent (0.3%) sales tax dedicated to payment of the City's general obligation police station bond?

Section 3. The proposition, both for paper ballots and machine ballots, shall be printed on a ballot which may set forth other general obligation bond propositions, and the following words shall be added as appropriate next to a space provided for marking the ballot for voting by hand or machine:

PROPOSITION NO. ____

O Yes

O No

Section 6. Section 1 of this ordinance shall become effective only if the proposition described in Section 2 is approved by a majority of the qualified voters voting on the proposition at the October 7, 2025 regular City election.

Section 7. Section 1 of this Ordinance is of permanent and general character and shall be included in the City Code. The remainder of this ordinance is not of a permanent nature and as such, shall not be codified.

ENACTED BY THE CITY COUNCIL OF HOMER, ALASKA, this 12th day of August, 2025.

CITY OF HOMER

RACHEL LORD, MAYOR

ATTEST:

RENEE K. HUSTON, MMC, CITY CLERK

YES:

NO:

ABSTAIN:

ABSENT:

First Reading:

Public Reading:

Second Reading:

Effective Date: