HERC TASK FORCE
491 E. PIONEER AVENUE
HOMER, ALASKA

NOVEMBER 13, 2018
TUESDAY, 3:00 PM
CITY HALL COWLES COUNCIL CHAMBERS

NOTICE OF MEETING
REGULAR MEETING

1. **CALL TO ORDER**
2. **APPROVAL OF THE AGENDA**
3. **PUBLIC COMMENTS REGARDING ITEMS ON THE AGENDA**
   The Audience may comment on matters on the agenda not scheduled for public hearing 3 minute time limit
4. **RECONSIDERATION**
5. **SYNOPSIS APPROVAL**
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   B. October 23, 2018 Page 9
6. **VISITORS**
7. **STAFF REPORTS & Committee Reports (5 minutes)**
   A. Julie Engebretsen, Deputy City Planner Page 15
8. **PUBLIC HEARING**
9. **PENDING BUSINESS (10 minutes per item)**
   A. Final Task Force Report Page 17
10. **NEW BUSINESS (10 minutes per item)**
    A. Presentation to Council Page 55
    B. Radio participation Page 57
    C. Chamber outreach or press release
11. **INFORMATIONAL ITEMS**
12. **COMMENTS OF THE AUDIENCE**
    The Audience may comment on any item. 3 minute time limit
13. **COMMENTS OF CITY STAFF**
14. **COMMENTS OF THE TASK FORCE**
15. **ADJOURNMENT**

Session 18-08 a Regular Meeting of the Homer Education and Recreation Complex Task Force was called to order by Chair Matthews at at 3:00 p.m. on October 8, 2018 at the City Hall Cowles Council Chambers located at 491 E. Pioneer Avenue, Homer, Alaska.

PRESENT: Task Force Members Derry, Haines, Knight, Lowney, Matthews, Reiss, Slone

ABSENT: Marks

STAFF: Deputy City Planner Engebretsen
City Clerk Jacobsen Jacobsen

APPROVAL OF THE AGENDA

Chair Matthews asked for a motion to approve the agenda.

LOWNEY/KNIGHT SO MOVED

It was requested to move item 9B to 9A, there was no objection.

VOTE: NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

PUBLIC COMMENTS REGARDING ITEMS ON THE AGENDA
The Audience may comment on matters on the agenda not scheduled for public hearing 3 minute time limit

RECONSIDERATION

SYNOPSIS APPROVAL
A. September 11, 2018
B. September 25, 2018

SLONE/DERRY MOVED TO APPROVE THE SEPTEMBER 11 AND 25 SYNOPSIS.

There was no discussion.

VOTE: NON OBJECTION: UNANIMOUS CONSENT

Motion carried. .

VISITORS
A. Katie Koester, City Manager

City Manager Koester commented she doesn't have prepared comments, but is available to answer questions from the group.

- What is the potential of a committee beyond this task force to address a Public/Private Partnership and how much money is available for the HERC?

City Manager Koester replied it's reasonable to expect some committee or task force work will be necessary beyond November, and what that looks like depends on what this group's recommendations and next steps are. Regarding funds there is approximately $188,000 in depreciation reserve for HERC, but Council tasked the group to make recommendations for funding improvements and ongoing maintenance of the facility.

- As we look at a P3 potentially with the HERC, are there limitations we could run into in that process as we look at how to do improvements and assistance to get operations going?

City Manager Koester replied any plan would have to be thought through to consider those potential issues. There are so many unknowns at this point but she doesn't see any unsurmountable challenges, but those challenges will require funding. Ultimately it will come down to the community wanting to commit resources to expanding the recreational capacity at the HERC or where ever it ends up. Any partnership will need very clear guidelines and expectations with the responsibilities of all parties clearly outlined. It will take a lot of careful thought and process to be successful.

- The Council requested the group give a 10 year outlook for the building, but we're moving toward the 5 year time period. Thought's on Councils opinion on that?

City Manager Koester commented her understanding is that Council was looking for is some longer term direction, so we aren't in the same place with the HERC 5 years from now. She thinks they are looking for is some idea or some direction on what's beyond a short term plan, whether it's demoing, a new facility, funds to invest in modification of the existing facility, or some other longer term goal. If the group is coalescing on 5 years, then she recommends having some thought put into next steps beyond the 5 years.

- What is the timeframe to fund something like this?

City Manager Koester noted the new police station project is a good example. The process for that project started in 2012 and a bond proposition passed earlier this year for funding. It's an issue of political will and priority.

- Does the city have extra land to sell to make capital projects happen, and would Council entertain a recommendation to sell other lots to fund improvements at the HERC site?

City Manager Koester gave a brief overview of the Land Allocation Plan and process for selling city owned property. The funds go into a land reserve account which has been used to purchase different types of property, but is not designated as a direct funding mechanism for the CIP. Regarding designating funds for future improvements, she explained that the Council could establish that intent by resolution, however future councils aren't committed and any appropriation of any funding would have to be done by ordinance at the time of the sale.

- Why is there only limited use allowed currently?

City Manager Koester explained a resolution was adopted restricting use to Community Recreation activities that would not require the facility to be heated more than the current “warm status” due to the cost of heating and electricity for the building.

- What kind of funding pressure might upcoming that may take away from funding a HERC project?

City Manager Koester commented from an operating perspective she sees pressure for additional staff throughout city departments. From a capital side there’s a lot of talk about building maintenance generated by what we are going to do with HERC lot. Moving building maintenance or building or rehabbing a new shop will require funding. Also the Fire Department has aging apparatus and the Fire Chief is working on a fleet replacement long term plan that will put some capital pressure on the budget. She explained the ability for City Council to allocate reserve dollars in the general fund.

STAFF REPORTS & Committee Reports (5 minutes)

A. Julie Engebretsen, Deputy City Planner

Deputy City Planner Engebretsen reviewed the outline of the final two months for the Task Force that was include in the staff report.

There was brief discussion confirming what members would be available for the different events, suggesting eliminating the remaining Brown Bag Lunches at the Library, and expressing the need to have a community forum, whether it happen before or after the Task Force makes their recommendation to Council.

B. Task Force Member reports

Ms. Lowney reviewed the information in the packet from her conversation with the SPARC Board.

PUBLIC HEARING

PENDING BUSINESS (10 minutes per item)

A. Submittal of application for Fire Marshal Review

Deputy City Planner Engebretsen reported she communicated with Larry Peek and he will provide backup assistance by phone and have specific Fire Marshall conversations as needed. She said at this point if the task force would like her to move forward with that they should make a motion to submit the application to the Fire Marshall for review of the upstairs as a “B” occupancy.

MATTHEWS/LOWNEY MOVED TO SUBMIT THE APPLICATION TO THE FIRE MARSHALL FOR REVIEW OF THE UPSTAIRS AS A “B” OCCUPANCY.

There was no discussion.

VOTE: NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

B. HERC TF Summary and Recommendations (was Draft Opportunity Plan)

Mr. Haines reviewed the "Proposed Final Report Format HERC Task Force", included in the packet. He addressed the attachments referenced at the end and believes they should identify something called Methodology that identifies the process they went through so readers of the information understand this has been logically thought out and they've come up with a reasonable solution. Mr. Haines suggests they move ahead with this proposed final report format and add the Methodology attachment.

Deputy City Planner suggested adding an Acknowledgment section and also Limitations/Liability Questions they have addressed. She will wordsmith the laydown information provided by Mr. Reiss for review and inclusion.

They group discussed a work plan to address the different sections.

NEW BUSINESS (10 minutes per item)

A. Long Term HERC recommendations

Deputy City Planner Engebretsen opened the discussion by asking if there is consensus to recommending a 5 year plan.

Mr. Slone stated is opposition to 5 years and support for 3 years. 5 years seems to kick the can down the road and 3 years is more suitable with respect to energizing the people to get moving toward phase 2, following up on the P3 plan. Also the building will continue to deteriorate over that time, there is a sense of urgency in the need to get something going with the building.

LOWNEY/DERRY MOVED THAT WE ADOPT THE FIVE YEAR TIMEFRAME

Mrs. Matthews concurs with three years unless Council is willing to allocate the $188,000 to start rehabbing and refurbishing, then it could go to the 5 year study for the Private/Partnership.

Other members were supportive of the 5 year plan and reasons include:

- 5 years was recommended as it's a reasonable time to get things in place.
- It gives times for uses to evolve and deal with issues of statewide economics and funding.
- It's a reasonable time to work though the important decisions that need to be considered and made.
- It ensures time for the community to weigh in and build this into what they want the facility to be.
- There needs to be adequate time for the process to happen, and government process takes time.

VOTE: YES: DERRY, REISS, KNIGHT, HAINES, LOWNEY
NO: SLONE, MATTHEWS

Motion carried.

Deputy City Planner asked for input on the statement- If a viable public private partnership does not materialize in the next 5 years, the city should be prepared to demolish HERC 1.

There was discussion around the topic, but no specific input was provided.

There was consensus to move this to the next worksession.

The remaining business items were not address due to time.

B. Slone proposal/final report to Council

C. Next Steps

COMMENTS OF THE AUDIENCE

The Audience may comment on any item. 3 minute time limit

Janie Leisk, city resident, expressed her agreement with not holding the Brown Bag lunches and moving forward with a community forum. She thinks it's important to structure it in a way to get the most community input.

13. COMMENTS OF CITY STAFF

Deputy City Planner Engebretsen commented the community seems to like the 4-6 pm time frame as it catches people picking up kids from school and those getting off work. Staff can help create an event that will get the input they're looking for. She thanked the group for their work, there's a lot to get through, but there's light at the end of the tunnel.

14. COMMENTS OF THE TASK FORCE

Mr. Derry will be out of town for the worksession on the 16th.

Mr. Reiss confirmed they could talk about the draft action plan later.

Mrs. Matthews had no comment.

Mr. Slone will proposing a motion to have Stantec review the building with regard to code compliance and uses. He thinks it's important because they have information they can provide right away that would help inform their final recommendation to Council.

Mr. Knight will be out of town on the 16th also.

Ms. Lowney concurred with staffs comments about the time frame for a public forum. She thinks the most important part is how they will present the information to the public.

ADJOURN
There being no further business to come before the task force, Chair Matthews adjourned the meeting at 4:42 p.m. The next meeting is scheduled on Tuesday, October 23, 2018 at 3:00 p.m. and a Work Session is scheduled for 3:00 p.m. Tuesday October 16, all held at the City Hall Cowles Council Chambers, 491 E. Pioneer Avenue, Homer, Alaska.

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MELISSA JACOBSEN, MMC, CITY CLERK

Approved:______________________________

Session 18-08 a Regular Meeting of the Homer Education and Recreation Complex Task Force was called to order by Chair Matthews at at 3:00 p.m. on October 23, 2018 at the City Hall Cowles Council Chambers located at 491 E. Pioneer Avenue, Homer, Alaska.

PRESENT: Task Force Members Derry, Haines, Knight, Lowney, Matthews, Slone

ABSENT: Reiss

STAFF: Deputy City Planner Engebretsen
City Clerk Jacobsen Jacobsen

APPROVAL OF THE AGENDA

Chair Matthews noted the synopsis was not provided and will be moved to the next agenda. She asked for a motion to approve the agenda with that change.

SLONE/LOWNEY SO MOVED

There was no discussion.

VOTE: NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

PUBLIC COMMENTS REGARDING ITEMS ON THE AGENDA
The Audience may comment on matters on the agenda not scheduled for public hearing 3 minute time limit

RECONSIDERATION

SYNOPSIS APPROVAL
A. October 9, 2018

Moved to the November 13th agenda under agenda approval.

VISITORS

STAFF REPORTS & Committee Reports (5 minutes)
A. Julie Engebretsen, Deputy City Planner

Deputy City Planner Engebretsen reviewed the upcoming dates for the task force. The group agreed to cancel the November 5th Brown Bag Lunch at the Library, reviewed the Council meeting report timing and information, and touched on speaking on the Chris Story radio show and there was consensus on doing that after the final report is presented to Council. There was brief discussion on a public forum and Ms. Lowney and Mrs. Marks agreed to work together to get started on putting something together.

PUBLIC HEARING

PENDING BUSINESS

A. HERC TF Summary and Recommendations

The items requested by staff that the task force act on act on were in the staff report as follows:

1. *Line 5: Format - Do we want recommendations at the beginning, or at the end?*
2. *Line 5-14: Bring your additional recommendations to the meeting! The rest of the document has the various ideas we have discussed. The recommendations in this section will be voted on and are the TF main statements!*
3. *We will go through each section – if you disagree with language, please be ready to suggest striking a specific line number, or have replacement language in mind.*
4. *See line 75 – the last paragraph. I struggled a little bit here – open to suggestions if this section is awkward to you!*

The task force reviewed and discussed the draft summary and recommendations in the packet and the revisions proposed by Mr. Reiss, Mr. Slone, and Mr. Derry that were provided as laydowns.

Mr. Derry suggested on line 7 change three to five year to five years and on line 10 to insert the word solicit as follows: Investigate community capacity and **<u>solicit</u>** interest to spearhead a public- partnership within this building. The task force agreed by consensus to that change.

LOWNEY/MARKS MOVED TO INSERT THE WORDS WE MAKE A RECOMMENDATION THAT THE CITY COUNCIL FORM A COMMITTEE OR TASK FORCE TO INVESTIGATE COMMUNITY CAPACITY.

There was brief discussion.

VOTE: NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

LOWNEY/DERRY MOVED ON LINE 10 AFTER SPEARHEAD ADD "FUNDING METHODS TO ADDRESS COMMUNITY AND RECREATIONAL NEEDS. PREFERRED FUNDING IS, BUT NOT LIMITED TO, A

PUBLIC-PRIVATE PARTNERSHIP FOR OCCUPANCY OPTIONS (TO INCLUDE THE UPSTAIRS) AND FUNDING HERC 1.

There was lengthy discussion on wordsmithing number three on line 10 of the draft recommendation.

VOTE: YES: DERRY, MARKS, KNIGHT, HAINES, MATTHEWS, LOWNEY
NO: SLONE

Motion carried.

MATTHEWS/LOWNEY MOVED TO APPROVE RECOMMENDATIONS 1 AND 2.

It was note for clarification that 3-5 was changed to 5 years on number 1.

VOTE: YES: SLONE, MARKS, LOWNEY, HAINES, MATTHEWS, DERRY, KNIGHT

Motion carried.

There was consensus for changing line 6 from near term to one year, and item 1 to say plan to keep HERC 1 in warm status for the next five years.

MATTHEWS/MARKS MOVED TO USE MR. DERRY'S LONGER TERM LANGUAGE AS SEEN IN THE LAYDOWN ITEM AND ADD, AFTER THE WORD GENERATED. "AT PRESENT FIREWEED ACADEMY COULD BE A POSSIBLE LESSEE BUT WOULD REQUIRE SUBSTANTIAL CAPITAL IMPROVEMENT TO MEET PUBLIC SCHOOL OCCUPANCY REQUIREMENTS."

The task force took the discussion away from the motion and started discussing potential changes to the near term section regarding user fees and made other wordsmith other changes.

MARKS/KNIGHT MOVED TO AMEND TO INCLUDE THE RECOMMENDATIONS REGARDING REVENUE AND MR. REISS'S NOT LIMITED TO LANGUAGE.

VOTE: YES: MARK, KNIGHT, LOWNEY, MATTHEWS, DERRY, SLONE, HAINES

Motion carried.

The main motion as amended was clarified that the entire text will read:

In the near term existing operation and utility expenses are $21,000 (2017). See attachment 5 for a detailed analysis. The task force recommends analyzing, **<u>and potentially increasing</u>**

HERC user fees and consider gym and Zumba room rentals. Potentially additional revenue could be generated to offset increased personnel and utility cost by allowing community organizations/user group rentals. A key component for successful short term revenue and more intensive use is active building management by a designated building manager. Capital expenditures could be funded from the existing HERC building deprecation fund, potential operating surplus or other sources as council determines appropriate.

In the longer term, 5+ years or more, a partner is needed that would have access to foundation grants or other private funding sources, not readily available to the city. Currently there does not appear to be broad community support for increased taxes to pay for changing building uses (i.e. building cold classification changes for the upstairs) or a significant renovation. And city finances do not allow for increased HERC building operating /maintenance expenses unless offsetting additional revenue is generated. **At present fireweed academy could be a possible lessee but would require substantial capital improvement to meet public school occupancy requirements.** Considering this, the Task force recommends the city actively pursue, **but not limited to,** a public-private partnership for investment and use of HERC 1.

VOTE: YES: LOWNEY, KNIGHT, HAINES, MATTHEWS, DERRY, MARKS
NO: SLONE

Motion carried.

There was discussion on wordsmithing long term item 5, line 15 in the packet.

SLONE/LOWNEY MOVED TO CHANGE NUMBER 5 LONG TERM TO READ IF AFTER 5 YEARS THERE'S NO RESOLUTION TO THE HERC'S FUTURE, THE THE TASK FORCE RECOMMENDS HERC 1 AND 2 BE DEMOLISHED.

There was discussion that the current proposed language kicks the can down the road, where as this amendment makes a more direct statement and direction. There were comments in agreement with determining a cut off at five years. It was suggested including Mr. Reiss's langue about maintaining the property as a park. It was further suggested to keep the reference to taking advantage of any major changes that are not foreseeable right now, in the original language.

MARKS/LOWNEY MOVED TO AMEND TO INCLUDE THE WORDS WHILE RESERVING THE PROPERTY AS A PARK UNTIL A LONG TERM PLAN IS DEVELOPED FOR THE SITE, AFTER THE WORD DEMOLISHED.

There was discussion on the amendment.

VOTE (amendment): YES: MATTHEWS, LOWNEY, MARKS, KNIGHT, DERRY

NO: HAINES, SLONE

Motion carried.

There was discussion on the main motion as amended. There were comments in opposition of this and maintaining the current language that include addressing changes and circumstances in the the future.

VOTE (main motion as amended): YES: MATTHEWS, MARKS, SLONE
NO: KNIGHT, HAINES, DERRY, LOWNEY

Motion failed.

The group agreed to continue reviewing the draft at a worksession on November 6th at 2:00 p.m. in the conference room.

NEW BUSINESS (10 minutes per item)

COMMENTS OF THE AUDIENCE

The Audience may comment on any item. 3 minute time limit

COMMENTS OF CITY STAFF

COMMENTS OF THE TASK FORCE

ADJOURN

There being no further business to come before the task force, Chair Matthews adjourned the meeting at 5:11 p.m. The next meeting is scheduled on Tuesday, November 13, 2018 at 3:00 p.m. and a Work Session is scheduled for 3:00 p.m. Tuesday October 16, all held at the City Hall Cowles Council Chambers, 491 E. Pioneer Avenue, Homer, Alaska.

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MELISSA JACOBSEN, MMC, CITY CLERK

Approved:_____________________________

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To: HERC Task Force
From: Julie Engebretsen, Deputy City Planner
Date: October 17, 2018, 2018
Subject: Staff Report

Meeting Goal: Approve the final document, plan for radio programs and Council presentation. We are in the home stretch!

Quorum: We must have 5 people present in Council Chambers to hold the meeting. Other members may call in and vote, but they do not count toward a quorum. Deb and Barry are scheduled to call in.

Call in information
Call 907-235-8121 xt 2299 The way this works is you call in, and you call is 'parked'. At the meeting we join you. Generally calling in works really well, but if there is poor cell reception, or too much background noise, it can require you to hang up and not participate. You may need to mute the phone to eliminate background noise.

No Clerk present
Melissa will not be at our meeting; the Clerks are in Anchorage for training. We are on our own. Please use your microphone; this allows Melissa to complete the minutes, and for people calling in to hear you. Every vote and every comment needs to be with microphones on please!

Also… since we will not have a clerk, please be prepared to write down your motion and read it back to the group. Motions need to be clear on the recording so they can be transcribed. Its fine to take a minute to gather your thoughts at the meeting.

Use your microphone! And turn your mike off when done speaking… its really hard for members calling in to hear when multiple conversations are going on at once, and if too many microphones are recording at once.

Again, thank you all for your continued time and efforts.

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To: HERC Task Force
From: Julie Engebretsen, Deputy City Planner
Date: November 13, 2018
Subject: Final Report Staff Report

This is it! The final draft!

Requested actions:

- Vote on any amendments to the five recommendations.
- Vote on the 6th recommendation (leasing).
- Vote to forward the Task Force Recommendations to the City Council.

I have incorporated edits from Michael, Larry, and Crisi. Additionally, I had editing help from the Clerk's office. So read everything closely – if something technical got lost in translation now is the time to fix it. Emailing me prior to the meeting is helpful. I am still working on a table for page 20 – the Scenario of Fireweed in the HERC.

Recommendations

At the last regular meeting, the TF voted on the five main recommendations. We made some changes by consensus at the work session, and there has been subsequent editing. We also added recommendation #6 concerning leasing. Please pass a motion to adopt the final six recommendations.

- Crisi has suggested the following rewording of Recommendation #5, page 3:

The Task Force has identified the 60-year-old HERC 1 building without substantial repairs may not have safe, ongoing or efficient use beyond 5 years. If a long term solution is not implemented over a five-year period, options for HERC 1 could range from planning a new facility, demolishing HERC 1 and 2 (or taking advantage of any major changes that are not foreseeable right now), while reserving the property as a park until a long term plan for the property is developed for the site.

- Page 5, #6 **Is leasing HERC an option?**

The building in its current state and the lack of funding for major capital improvements precludes a viable long-term lease arrangement. However, there is initial interest in leasing the building. During the Task Force process, Fireweed Academy and Bunnell Street Arts presented ideas to use the building. In recommendation #3, the Task Force recommends a new group to continue working on the HERC, and include the opportunity for any other interested organizations to come forward (see Recommendation #3 and Chapter 5). A long-term lease may allow for financing options such as a commercial loan that could be repaid through rental income.

Attachments:

1. Final Report
2. Email Comments from Larry Slone 11/8/18, included below

I don't have much more to add other than a few more suggestions for verbiage, and some final thoughts for the TF members

1. Final philosophy

The TF mostly agrees on the "big picture". It's pretty close, I think, to what the Council specifically directed us to review in -036A, without us getting too sidetracked (the "mission-creep" thingy). So, we're nearing the end. But our task remains half done. Although we might believe, as Dave mentioned, that we've produced a good product, the next, equally-important, step is to convince everyone else of our certitude. And that effort consists of presenting a complex scenario and related info in a conceptually easily-digestible format. . Our reputation - and mine personally - will be reflected in the quality of the report. It's important enought to me that I'll continue making a final effort to provide a clear, concise statement of the TF's proposal; one easily understood by the general public (that 6th grader), of whom 90% will give it just a cursory 60 second read. The report should be clear enough in its recommendations, which are to implement the 5yr LAP in conjuction with initiating a new HERC Commitee soon to pursue funding/lease options, that no-one can accuse us of "kicking the can . . .". That's been my greatest fear as a member of this TF. (My other major fear - paranoia, really - was of being accused of deliberately excluding any other use of the HERC than recreation. But that concern has now pretty much dissipated.)

So that's why it's important to keep chiseling-away at the final report in the limited time we have left: To clearly and succinctly summarize our mandate under -036A, and to review our goals (4+2), and then to submit our recommended solutions, all within that 60 second timeframe. It's also our job as TF members to make timely submissions for such purposes; It's not a burden that should be placed on Julie, as staff, to establish our policy annd recommendations for us in addition to attending to her other duties of formatting and structuring the report and its appendexes.

Furthermore, I feel we're not just making a corporate report, as if to the executives of Exxon. Our real target audience is the general public, not just the Council. it's the public that will be prompting the Council to make the next move, establishing a new TF/Committee for the HERC. The Council won't, initially, take time to review the entire report; their attention for November/December will be focused on reviewing and approving the annual City budget. Then, like everyone else, they'll be distracted by Christmas and New Year's holidays. It's the public that will have to provide the impetus for future HERC developments and subsequent TF/Committee.

Perhaps the ex-TF members, collectively, could ask to be put on the council agenda as visitors sometime in January, and testify as individuals in support of the time-critical nature of creating soon a new TF/Commission. Such a public demonstration of committment might provide the needed impetus.

So, here's my latest, condensed, version of a preliminary statement, to precede the segment with the TF's recommendations:

" The Homer Educational and Recreational Complex (herc), a pair of 60 and 70 year old ex-school buildings, located at the intersection of Sterling Highway and Pioneer Avenue, is nearing the end of its useful life. In response to community concern about the future of the buildings this TF was created last Spring by the City Council and directed by them to review costs, funding sources, and leasing possibilities associated with using the larger building (HERC1) for various potential uses, primarily education and/or recreation. Additionally, the cost of demolishing and/or building new was to be considered.

In response, the TF has determined that any long-term use will require substantial and costly repairs. Building new will be expensive. City funding sources are currently very limited. However, other sources of funding exist. The entire public process of arranging funding, planning a new or refurbished building, and then constructing it will require up to 5 years of diligent effort..

Consequently, in pursuit of providing continuation of community use of the HERC, the TF makes the following recommendations:

General:

1. Make modest repairs to HERC1, forthwith, allowing continued public use of gym and other portions of the building for up to 5 years.

2. Create a new HERC Committee this winter dedicated to pursuing existing and future funding and or leasing options for HERC use as directed by the community and city council.

[Slone note: I still recommend removing the "Long-term: 5 years" segment, Line 16-20 of Julies report]

Specific:

1. Can the upstairs of the HERC be safely used . . . .etc.

2. What are the minimum improvements, etc.

[And, again, I suggest my answer, specifically to number 5, using O&M and Capital Expenditures as the main categories, not Short-term/Long-term.]

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2. The other issue I want to comment on is Item 6, from our 4+2, "Is leasing space a viable option?"

My suggested verbiage: " The cost of code-compliance safety issues precludes immediate use. However, recent presentations to the TF by Fireweed Academy and (Asia Freemans' group) indicate that community interest in a long-term lease is a very viable funding option that should be explored forthwith through an RFP. See section xxx for details."

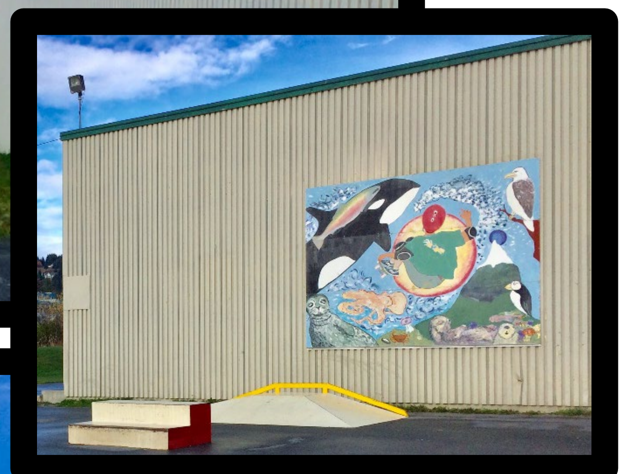
[Slone note: After the first blush of enthusiasm for Fireweed's presentation wears off, I have to ask, and wold like other to respond: How, exactly, would the city benefit from having Fireweed, a private entity, lease the building?]

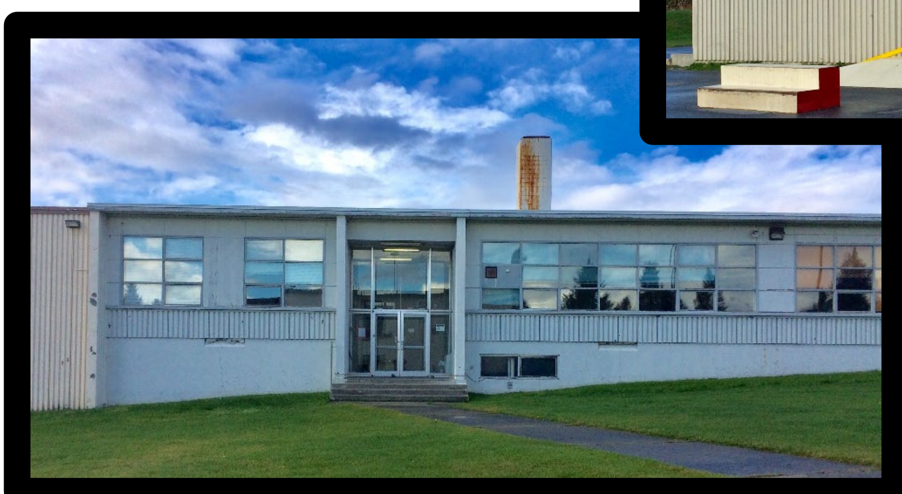
Larry S.

HERC TASK FORCE

Final Recommendation Report

November 13, 2018





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RECOMMENDATIONS & OPPORTUNITIES

Homer City Council established the Homer Education and Recreation Complex (HERC) Task Force with Resolution 18-36(A). Council assigned a set of tasks; determine the financial resources required to use the building and if leasing space is a feasible option. This final report provides City Council with the task force's recommendations.

Task Force Recommendations: Near & Long Term

Near Term: 1 to 5 years

1. Keep HERC-1 in warm status for the next 5 years.
2. In the next year, make short-term repairs needed to maintain HERC-1 in warm status and prevent further deterioration. (Estimated Capital Expenditure $60,000-$100,000, see Chapter 3)
3. City Council form a committee or a task force this winter to investigate community capacity and solicit interest to spearhead funding methods to address community recreational and educational needs. Preferred funding is, but not limited to, a public-private partnership for occupancy options (to include the upstairs) and funding of HERC-1
4. See #5 below for near and long term funding and leasing options.

Long Term: 5 years +

5. If nothing happens over a five-year period, options could range from planning a new facility, demolishing HERC-1 and 2, or taking advantage of any major changes that are not foreseeable right now, while reserving the property as a park until a long term plan for the property is developed for the site. (See staff report for requested amendment language)

Task Force Opportunities: Responding to Outlined Tasks in Resolution 18-063(A) & Memo 18-090

1. Can the upstairs of the HERC be safely used with no capital improvements?

Yes. The HERC Task Force applied to the State Fire Marshal to determine if the upstairs can be used as-is and retain its previous International Building Code (IBC) Business B-Classification. The Fire Marshal approved this occupancy in November 2018. There are some immediate costs, such as the roof, that requires attention to maintain the integrity of the building for five years. A further breakdown of this and other items can be found in Chapter 3.

2. What are the minimum improvements that would be needed to safely use the entire HERC facility and cost associated with those improvements?

Approximately $500,000 would be a bare minimum to maintain IBC assembly occupancies of A-3 on the lower level, and B on the upper level. If an Educational (E) occupancy or K-12 school is desirable, then the cost rises from $900,000 to $1.3 million dollars, mainly for sprinklers and basic safety upgrades. These improvements would extend the life of the building approximately 10 years, but does not result in a modern, energy efficient building.

3. What are the desirable improvements that need to be made to the entire HERC facility to allow it to be used to its full potential for the next 10 years?

The only way a ten-year timeframe would be a desirable financial consideration for the City is if there is a long term lease or partnership agreement in place. A partnership could be a school program, non-profits, or a for-profit start-up, and would allow the City to retain the building without having to pay all of the increased facility costs, such as operations and maintenance. Building use in this scenario is limited to IBC A-2 thru A-4, B & E (including day care) Classifications.

Briefly, a remodel of $2.5 to $3 million dollars would extend the life of the building approximately 20 years. A full renovation of $4.5 M to $ 5M would extend the building 30 years or more. Seismic upgrades would likely be required but neither the extent nor costs are currently determined. Chapter 3 provides more detail on these cost estimates. [Note: The above rough order of magnitude costs reflect 2018 dollars and are subject to possible 15%-20% inflation corrections.]

4. What would it cost to demo the HERC and build a new facility that meets the recreation needs of the community on the existing site.

Demolition of HERC-1 is estimated at $750,000 and HERC-2 at $250,000.

A new 8,500 square foot building would be a minimum size, with perhaps 12,000 square feet being an optimum size. The current HERC-1 offers 16,000 square feet. Roughly, new government construction costs about $400 per square foot, therefore an 8,500 square foot structure would run about $3.4 million dollars for conventional construction. If a private party were to construct a pre-engineered metal building, costs could be lowered to about $250 per square foot, or $2.13 million dollars. The City would need a plan to pay for construction and ongoing maintenance and operations costs. That financial plan and revenue stream would dictate the size of building the City could afford to build and operate. See Chapter 3 for further details. [Note: The above rough order of magnitude costs reflect 2018 dollars and are subject to possible 15%-20% inflation corrections.]

5. How can the City pay for operations, maintenance, and any required capital expenditures?

This question is answered in two ways: near term and long term. In the near term, existing operations and utility expenses are $23,000 (2017); see Chapter 4 for a detailed analysis. Higher fees may cover more of the current operating costs, therefore the Task Force recommends analyzing and potentially increasing HERC user fees, and consider gym and zumba room rentals.

If the building is used for longer hours, or if the upstairs is used on a regular basis, operational costs will also increase. Additional revenue is necessary to offset increased personnel and utility costs. Allowing community organizations/user group rentals may generate this additional revenue. A key component for successful short-term revenue and more intensive use is active building management by a designated building manager.

Capital expenditures could be funded from the existing HERC building depreciation reserve fund, potential operating surplus, or other sources as Council determines appropriate.

In the longer term, 5+ years or more, a partner is needed that would have access to foundation grants or other private funding sources not readily available to the City. Currently there does not appear to be broad community support for increased taxes to pay for changing building uses (i.e. building code classification changes for the upstairs) or a significant renovation. City finances do not allow for increased HERC building operating/maintenance expenses unless offsetting additional revenue is generated. At present, Fireweed Academy could be a possible lessee but would require substantial capital improvement to meet public school occupancy requirements. Considering this, the Task Force recommends the City actively pursue a public-private partnership for investment and use of HERC-1. Other options include state and foundation grant funding, a ballot measure for a new tax, a commercial loan, or a service area.

6. Is leasing HERC an option?

The building in its current state and the lack of funding for major capital improvements precludes a viable long-term lease arrangement. However, there is initial interest in leasing the building. During the Task Force process, Fireweed Academy and Bunnell Street Arts presented ideas to use the building. In recommendation #3, the Task Force recommends a new group to continue working on the HERC, and include the opportunity for any other interested organizations to come forward (see Recommendation #3 and Chapter 5). A long-term lease may allow for financing options such as a commercial loan that could be repaid through rental income.

CHAPTER 1: Acknowledgements, Methodology, & Process

Task Force Members

- David Derry
- Michael Haines
- Paul Knight
- Deb Lowney
- Karin Marks
- Crisi Matthews
- Barry Reiss
- Larry Slone

Staff

- Julie Engebretsen

Process

The City Council adopted Resolution 18-036(A), creating the HERC Task Force and assigned a set of tasks. The Task Force held a series of meetings between May and November 2018. Using their diverse backgrounds, the HERC Task Force approached the specific tasks set by City Council by establishing small working groups; these efforts were merged into creating this final report.

The Task Force also realized that any recommendations to City Council would require at least some justification for a refurbished or new building: a "build-it-and-they-will-come" approach was not a viable strategy. To achieve this, the Task Force "listened". They listened to City Council, listened to Homer residents, listened to Homer City employees, listened to non-profit organizations, and listened to for-profit businesses. Brown bag lunches, focus groups, one-on-one meetings, broadcast interviews, City Council presentations, site visits, and presentations by interested parties all aided the information-gathering efforts.

The results provided in this final report represent a reasonable estimate of a future building configuration, the needs of the community, and the construction costs.

Limiting Conditions & Disclaimer

This report contains costs, prices, expense analyses and forecasts that are based on Task Force members' respective backgrounds/professional experiences. These are considered estimates, subject to further investigations and analytical activities as appropriate.

The report also includes construction, demolition, and repair/renovation cost estimates based on prior architectural and engineering studies, general construction research, and general knowledge and experience of Task Force members. Correspondingly, the report contains operational expense analyses, price/rent scenarios, and costs considered related to a valuation product. None of the data or comparisons constitute an appraisal and are not the result of professional analysis or an opinion of value. The information is provided based on data generated within the Task Force, as part of its collective work, thus all costs are estimates only, subject to professional/contractor analyses for confirmation and/or correction. Accordingly, the Task Force provides only a general perspective and assumes no liability for the data in the Task Force Report.

Background

The HERC property encompasses 4.3 acres in downtown Homer. The property was originally donated by community members for school use and included a deed restriction. While the deed restriction has since been lifted, there is still strong community attachment to the land and desire to honor the public use of it. The property presents the opportunity to provide a gateway to downtown Homer and is centrally located on the corner of the Sterling Highway and Pioneer Avenue.

There are two older school buildings on site: HERC-1 is approximately 16,000 square feet and includes a gymnasium. HERC-2 is the second building; a smaller, two story concrete structure that was formerly the high school. The Task Force study of HERC-2 was limited to estimating demolition costs (See Chapter 3).

2003 photograph of the HERC property. HERC-1 (on left) is the focus of this report. HERC-2 (on right), is only discussed in terms of demolition costs.

HERC-1 was built in the late 1950's and has served as an elementary, middle and high school. Day use as a school ended in 1997 with the opening of West Homer Elementary School. In 2000, the Kenai Peninsula Borough deeded the property to the City for the purchase price of $1. At the time, the Kachemak Bay Campus of the Kenai Peninsula College leased the upstairs, and the Boys and Girls Club used the gym for after school and summer programs. In 2010, the college moved out and some of the City Hall offices were temporarily relocated to the building while City Hall was renovated. In the spring of 2013, the Boys and Girls Club closed permanently.

Currently, the City's Community Recreation program uses portions of the lower level of the building for recreation programs. A full history of the building, its uses, and engineering reports can be found on the City website under the Homer City Council January 18, 2018 worksession meeting packet.

Opportunities

One key asset this property presents is an anchor for Pioneer Avenue and the entrance to downtown Homer. The public expressed sentiment that this land was donated for public purpose, and that it has high value as public space. Site planning should be on a long-term basis, not a short-term horizon. Even having a large mowed park for a period is a community asset until the community determines to renovate or build a new facility. This decision could be 10- 15 years in the future. Another opportunity is to sell a portion of the land to pay for a new building or renovate the HERC. With some subdivision, utility, and demolition expenses related to HERC-2, it is conceivable that the City could secure $500,000 for the sale of a 1.5 acres site corner of Woodside and West Pioneer Avenues. See Chapter 5 for more funding opportunities.

Skate Park that was constructed while the Boys and Girls Club occupied HERC-1.

CHAPTER 3: Analysis of Existing HERC-1 & Proposal on New Building

The City Council resolution required both (a) recommendations and estimates of costs to renovate the existing HERC-1 building given various scenarios; and (b) the costs to demolish the existing HERC-1 and construct a new building "that meets the recreation needs of the community," (City Resolution 18-036(A), lines 58 thru 76). The HERC-2 building is not included in these recommendations other than providing a cost to demolish (Memorandum 18-090).

When reviewing the following recommendations and implications, it is also important to relate them to the forecast of demand for services for any renovated or new building. For example, as discussed in Chapter 6 of this plan, immediate demand for potential HERC-1 uses are relatively small and primarily focused on recreational activities (gym and exercise space). Yet demand is expected to grow over the next five years and may encompass other uses, e.g. education.

Implications of Renovating the Existing HERC Building

The original Task Force directive from the City Council was to use a "10-year" timeframe when considering improvements that need to be made to the entire HERC-1 facility to allow it to be used partially or to its full potential. The prior reports the City has obtained indicate the building was built 'well for its time.' The Task Force explored the concept of rehabilitation with the assumption that the structure, although not new or efficient, has usable life left if investment is made to prevent further deterioration. While investigating renovation and demolition costs, it became apparent that a 5-year plan would better address the overall goals established by City Council.

If the City waits 10 years to renovate/remodel the HERC-1, the cost to do so would increase due to deterioration to the bones of the building. The continued aging of outdated systems, increasing code requirements and subsequent dollar escalations from 2018 prices all contribute to much higher renovation costs in the future. Without significant renovations, there will be continued and potentially accelerated deterioration of the building, resulting in greater operations and maintenance costs. A five-year time horizon allows time for further community and professional input while securing financing. Beyond five years and without a long-term solution the City will need to look closely at the structure; a new facility, demolition of the HERC buildings, or taking advantage of new opportunities are all options.

A 5-Year Plan

This 5-year plan is based on a strategy of "sustainability without major capital improvements". Under this strategy, only minimum upgrades will be made. As stated previously, it provides the City time to cement a way forward with continued use of the facility while developing strategies and funding that would enable a "final" decision. Thus, at the end of the 5-year period, the City will have two paths: (a) substantially rehabilitating/remodeling the building, or (b) demolishing the building and moving to an alternate solution addressing community needs and financial constraints.

The 5-year period enables HERC-1 to be serviced using current operations and, on an as-needed basis, maintenance costs. This plan is weighed against risk assessments: community needs/uses, funding and best practices.

More detailed renovations would include:

(a) HERC-1 lower level – Maintain minimum renovation improvements within International Building Code (IBC) Assembly Group A-3 Classification, (gym without spectators, community and lecture halls, etc.)

HERC-1 Lower Entrance Used to Access Gymnasium

Currently, the HERC-1 gym is certified and the "Zumba Room" will also be certified when a few fire-related upgrades to the room are made. The remaining lower level rooms are not fire code certified and should continue to be used for storage. The restrooms require minor attention: showers are inoperable; the faucets, water closets and urinals need minor fixes; wood ramp in the women's room entrance should be changed to concrete and painted; and a few other checks/fix-its.

(b) HERC-1 upper level – Continue to keep the upper level in a quasi-stasis state. Use is currently restricted to storage of Public Works' materials (two rooms currently).

HERC-1 Upper Level Entrance

<u>Additional Notes Regarding the 5-year Plan</u>

Note 1: The upper level has been recertified as an IBC Business Group B Classification, which could include uses such as professional services or service-type transactions, civic administration, educational occupancy for students above 12th grade, and training and skill development not within a school or academic program, etc. If the City intends to use the upstairs, it should be reused on a minimal basis to keep the upper level Operation and Maintenance costs down.

Note 2: Some repairs are necessary before the classrooms can be used: ensuring life safety equipment is up to date and fixing the ADA entrance on the north side of the building. Also, other improvements should include fixes to restrooms, an HVAC inspection, bringing on line room ventilators, adding flooring and ceiling tile patches, lighting changes to E-florescent tubes, and other minor actions.

Additional Notes: There are more fixes needed then those associated with fire codes. Irrespective of Note 1 and 2 above, immediate fixes will be required to bring the building into near term usefulness: level roof and hot mop, address parking lot lights, and fencing repairs. These items would not require capital expenditures, apart from possibly the roofing items, since most can be accomplished incrementally by Public Works.

Rationale for A 5-year vs. a 10-year Plan

It is important to understand that NOT completing significant upgrades to HERC-1 within a reasonable, near-term, timeframe would result in continued and potentially accelerated deterioration over a 10-year period. If a decision is delayed to renovate/remodel HERC-1 (to, say, 10 years as directed by City Council), the cost to do so would increase significantly due to deterioration to the basic structure of the building. This would result in escalated renovation costs.

The 10-year plan is primarily a "do-nothing strategy" and is NOT a recommendation of the HERC Task Force.

Estimated Upgrade Costs

The Task Force arrived at three estimates for building renovation, depending on how major a renovation is undertaken. The task force does not make a recommendation in the absence of funding and increased operation and maintenance costs for the full building. This information is provided as a guide for what incremental improvements could be built and an order of magnitude cost estimate.

1. $900,000-$1,300,000, bare bones remodel. A scaled down version of the $2.5M effort to address an E Classification for a 10-year period would be on the order of $900K to $1.3M. This version would include: hot mop roofing; upsized water service & sprinkler system; upgrades to ventilators, kitchen, bathrooms, lighting and ADA items. Code/compliance procedures and a risk assessment would be appropriate prior to this effort.

2. $2,500,000- $3,000,000 basic remodel. The effort would focus on primary systems for Health and Safety and American Disabilities Act (ADA) upgrades, seismic upgrade, complete re-roofing, installing a sprinkler system, replacing other items as required by fire code, replacing galvanized pipes, and making interior upgrades to all rooms, etc. This would extend the life of the building by approximately 20-years and be sufficiently robust to achieve an Educational Group E Classification, (potentially including day care use), per 2017/2018 International Building Code (IBC) and 13AAC50 designations/requirements.

3. $5,000,000 (16,000 sq.ft. at $250/sf) full renovation. This effort would extend the life of the building to 30+ years. This total upgrade/remodel would include roof and wall insulation to improve heat efficiencies, structural modifications, new flooring and ceiling tiles, new windows, the addition of alternative energy systems, and exterior upgrades. The upgrade would create a structure with a life expectancy of 30+ years, while meeting modern "green building," sustainability, and energy efficient building standards.

Implications of Building a New Facility ("New HERC")

A "New HERC" building could be constructed on the present HERC site if the current HERC-1/HERC-2 buildings were demolished or could be constructed on another suitable property. Costs associated with site acquisition have not been included in these cost estimates. If a "New HERC" building is constructed on the current HERC-1/HERC-2 site, both HERC-1 and HERC-2 would be demolished. This adds to the total costs associated with a "New HERC" (see cost estimates below). **(verify page break)**

The current HERC-1 building is approximately 16,000 square feet. This represents a potential community/recreation building that would more than meet the needs of the Homer population. A smaller building with an area as small as 8,500 square feet, up to about 12,000 square feet would probably suit the needs for the foreseeable future.

Estimated Demolition Costs

The demolition costs for the HERC-1 building are estimated to be on the order of $750,000 to $1,000,000. The demolition costs for the HERC-2 building are estimated to be on the order of $250,000. If HERC-2 were to be demolished first, it would help inform the costs of demolition of HERC-1 at the prevailing costs.

The above estimates are subject to changes due to the continuing increase in costs associated with demolition trucking expenses, the demolition and disposal of the HERC-1 boiler, additional hazmat items such as unforeseen expenses due to fuel spill, etc.

Off-setting these costs, both buildings could potentially contain items that would be salvageable and recyclable, such as the fuel tanks, temporary generator and interior wood doors. The value (undefined at this time) of these and other salvageable items could decrease the above demolition costs.

Estimated Construction Costs

Construction costs are estimated to be $400 per square feet for wood frame construction. This represents a total estimated cost for a direct replacement of the 16,000 per sq.ft. HERC-1 building at $6.4 Million. A smaller community/recreation center sized more appropriately for Homer's needs of 12,000 sq.ft. has an estimated cost of approximately $4.8 Million. The above estimates are for the construction of the facility only. It does NOT include design architectural & engineering (A&E) fees. A third option for a smaller building would be approximately 8,500 square feet, to encompass a gymnasium (7,000 sq ft), restrooms, an exercise room, minimal office space, and mechanical space.

The Sterling, Alaska Community Center (a 12,000 sq. ft. structure) represents an example of escalating construction costs over recent years. In 2014, the construction year for the Center, construction costs approximated $200 per sq.ft. Construction costs in the Kenai Peninsula are expected to continue upward trends in the near future. [Note: The $200 per sq. ft. was actual costs of the labor and materials purchased, even though completion of the facility relied heavily on volunteer/donated labor and materials from local residents and businesses.]

Total Costs (including demolition, design, construction and contingency)

For a 16,000 sq. ft. HERC-1 replacement:

Demolition costs incl. hazmat:	$0.75 Million (M)
Construction costs incl. A&E cost:	$6.4 M
Contingency (15%):	$1.07 M
Total cost:	**$8.22 Million**

For a 12,000 sq. ft. building:

Demolition costs incl. hazmat:	$0.75 M
Construction costs incl A&E cost:	$4.8 M
Contingency (15%):	$0.83 M
Total costs:	**$6.28 Million**

Building a New Facility vs Remodeling the Existing HERC-1

Currently, the preferred action is for the City to implement a 5-year plan that would extend the use of the existing lower level for recreational purposes with minimal use of the upper level. This option will provide sufficient time for further input and analyses.

The City's cost of a complete renovation/remodel of HERC-1 to full potential which would include an Educational (E) Classification, is $5M x 25% ~ $6.25M for a 16,000sf facility versus $9.5M or $7.25M for a 12,000sf building. Potential cost savings could be incurred on either, especially given, for example private-public partnership arrangements. Since constraints exist that would affect a decision at this time, no recommendation is tendered by the Task Force on whether to remodel the existing HERC, or demolish and build a new facility.

This analysis section addresses HERC-1 only. The industry standard for comparison, on the Kenai Peninsula, is dollars per square foot per month ($/sf/month), which is used in the following analysis. Operating expenses are analyzed in a three-step process:

1. Using the historical expense data provided,
2. Comparing the step 1 expense to prevailing, typical expenses for commercial and public buildings in Homer, and
3. With expenses forecast based on the use scenarios or alternative uses.

Historical Expenses

The following table reports the historical data provided to the Task Force, then calculated based on the proportion of the building in use/occupied during that time frame. Understand that exact details and timing of occupancy are not available, and accordingly the expense data is recognized as approximations.

The table encompasses 2009 thru 2017, with the use ("Occupancy") and proportion of building in use listed on the first line. The expense per square foot per month reported is based on the size of that portion predominately in use during the respective year. Since the actual months in use or transitioned from uses are unknown, the costs are based on a twelve month period (year). "GBA" is the gross building area, with 2009 thru 2013 using the total GBA (16,800 sf) and 2014 thru 2017 using the Gym only (5,700 sf).

Property Name:	**HERC 1**								
Date:	**10/4/2018**								
Building GBA:	**16,800**	**sq. ft.**	**Breakdown:**	**Gym:**	**5,700**	**Lower:**	**2,800**	**Upper:**	**8,300**
	2009	**$/sf/mo.**	**$/mo.**	**2010**	**$/sf/mo.**	**$/mo.**	**2011**	**$/sf/mo.**	**$/mo.**
Occupancy:	full; Upper-UAA, Gym-B&GC			full; Upper-UAA, Gym-B&GC			prtl.;Up-UAA out, City in, Gym-B&GC		
Electricity	$ 20,600.75	**$ 0.102**	**$ 1,716.73**	$ 18,110.14	**$ 0.090**	**$ 1,509.18**	$ 18,139.42	**$ 0.090**	**$ 1,511.62**
Water/Sewer	$ -	**$ -**	**$ -**	$ -	**$ -**	**$ -**	$ -	**$ -**	**$ -**
Fuel Oil/gas	$ 37,266.42	**$ 0.185**	**$ 3,105.54**	$ 35,824.29	**$ 0.178**	**$ 2,985.36**	$ 38,177.32	**$ 0.189**	**$ 3,181.44**
total		**$ 0.287**	**GBA**		**$ 0.268**	**GBA**		**$ 0.279**	**GBA**
	2012	**$/sf/mo.**	**$/mo.**	**2013**	**$/sf/mo.**	**$/mo.**	**2014**	**$/sf/mo.**	**$/mo.**
Occupancy:	prtl.;Up-City out 3/12, Gym-B&GC			prtl.;Up-Enstar in, Gym-B&GC out			lmtd.; Up-vacant, Gym-CPRP		
Electricity	$ 14,688.71	**$ 0.073**	**$ 1,224.06**	$ 11,617.38	**$ 0.058**	**$ 968.12**	$ 9,867.49	**$ 0.144**	**$ 822.29**
Water/Sewer	$ -		**$ -**	$ -		**$ -**	$ -		**$ -**
Fuel Oil/gas	$ 32,413.97	**$ 0.161**	**$ 2,701.16**	$ 24,673.44	**$ 0.122**	**$ 2,056.12**	$ 16,416.78	**$ 0.240**	**$ 1,368.07**
total		**$ 0.234**	**GBA**		**$ 0.180**	**GBA**		**$ 0.384**	**GYM only**
	2015	**$/sf/mo.**	**$/mo.**	**2016**	**$/sf/mo.**	**$/mo.**	**2017**	**$/sf/mo.**	**$/mo.**
Occupancy:	lmtd.; Up-vacant, Gym-CPRP			lmtd.; Up-vacant, Gym-CPRP			lmtd.; Up-vacant, Gym-CPRP		
Electricity	$ 11,248.28	**$ 0.164**	**$ 937.36**	$ 10,915.40	**$ 0.160**	**$ 909.62**	$ 10,948.32	**$ 0.160**	**$ 912.36**
Water/Sewer	$ 1,119.00	**$ 0.016**	**$ 93.25**	$ 1,246.00	**$ 0.018**	**$ 103.83**	$ 2,000.00	**$ 0.029**	**$ 166.67**
Fuel Oil/gas	$ 11,533.91	**$ 0.169**	**$ 961.16**	$ 8,660.38	**$ 0.127**	**$ 721.70**	$ 10,217.78	**$ 0.149**	**$ 851.48**
total		**$ 0.349**	**GYM only**		**$ 0.304**	**GYM only**		**$ 0.339**	**GYM only**

Comparison to Prevailing Homer Building Expenses

To provide a perspective of the historical operating expenses of HERC-1, to typical expenses for commercial and public buildings in Homer, two separate analyses were made:

a. The expenses reported for City of Homer buildings in 2017 was segregated and allocated into the $/sf/month unit of comparison.
b. Expenses for a variety of Homer commercial buildings was reviewed, from the database of one of the HERC task force members.

(a) The City of Homer building expense data used is from a table prepared by Public Works, provided to the Council as part of forecasting maintenance expenses for a new police station. Some of the categories in that table are excluded in this analysis, since they are not considered typical operating expenses, comparable to the HERC building.

In the following table each category of expense lists the cost per square foot per month for that category (i.e. heating, electrical, etc.), then those expenses out of the typical range for private commercial building are shown in red. Some of the out of range variation is due to the nature of the building or operating hours. For example the electrical expense for the Airport Terminal is well above typical ranges, but would reflect lighting for the parking lot, aircraft apron, tarmac, etc. Also the longer hours/lighting and equipment used likely accounts for the higher Police station electrical expense.

City of Homer Buildings

		FUEL/LUBE(*1)		ELECTRICITY		WATER	SEWER		***TOTAL*****
2017 FACILITY EXPENSES	Square Footage	FUEL/LUBE	***Cost per sq.ft. per month***	ELECTRICITY	***Cost per sq.ft. per month***	WATER	SEWER	***W&S $/sf combined***	***Cost per sq.ft. per month***
Airport Terminal	8,588	$8,808	$0.0855	$36,744	$0.3565	$2,143	$3,966	$0.0593	$0.74
Animal Shelter	3,994	$9,265	$0.1933	$8,501	$0.1774	$650	$608	$0.0262	$0.67
City Hall	13,321	$6,843	$0.0428	$20,389	$0.1275	$808	$835	$0.0103	$0.32
Fire Station	9,000	$8,229	$0.0762	$27,181	$0.2517	$1,519	$1,531	$0.0985	$0.55
Library	17,200	$15,441	$0.0748	$35,718	$0.1731	$1,294	$1,535	$0.0137	$0.39
PH Harbormaster Office	4,784	$8,822	$0.1537	$10,249	$0.1785	$517	$414	$0.0162	$0.61
Police Station	5,500	$1,270	$0.0192	$24,416	$0.3699	$930	$1,076	$0.0304	$0.65
Mean-all facilities:			**$0.0922**		**$0.2335**	**ll facilities:**		**0.0364**	**$0.56**
		(*1)all buildings natl. gas except Police Station							
Costs in red are out of the typical ranges for the expense item.									**excludes Janitorial

(b) To summarize the results of the HERC-1 and City building expense analysis and compare to prevailing private commercial building operating expenses, the following table is provided. Here the expenses of HERC-1 for 2014 thru 2017 are listed, compared to the City Library and the ranges of costs typical for private commercial buildings.

For the HERC-1 building, expenses reported are the average of the last four years. The library building is used, since the expenses calculated per unit of comparison fall more within the typical ranges expected in Homer. The "typical range" column summarizes the costs calculated from actual operating data of a variety of Homer buildings, maintained over the years in a proprietary data base.

The HERC electrical expense is at the high "typical" range, but within that range. The heating expense reflects the biggest variation from typical expenses, attributed to the HERC's fuel oil heat and insulation deficiency. With the availability and conversion to natural gas, commercial property owners report a reduction in their heating expense to about 1/3 of their prior fuel oil cost. A comparison of City buildings before and after conversion to natural gas shows a reduction of:

- Airport terminal: -64%
- City Hall: -58%
- Library: -51%
- Average of these three: -58%

A simple cost/benefit calculation, based on the average heating cost with a 50% savings and a conversion cost at $18,000 - $19,000 (from Memo 13-077, 5/2/13) shows a cost recapture in 3.25 years. [$11,707 × 50% = $5,854/yr. ÷ $19,000 = 3.25 yrs.].

Homer commercial buildings ~ operating expense comparasion						
Property Name:	**HERC 1**		**Homer Library**		**Private Commercial**	
Building GBA:	**5,700**	(Gym only)	**17,200**		**Building in Homer**	
Occupancy type:	**Recreation**		**Municipal**		**Office & Retail**	
year	2014 - 2017	**$/sf/mo.**	2017	**$/sf/mo.**	2017/18	**$/sf/mo.**
	(average)					
Electricity	$ 10,744.87	**$ 0.157**	$ 35,718.00	**$ 0.173**	$ -	**$0.12 - 0.16**
Water/Sewer	$ 1,455.00	**$ 0.021**	$ 2,829.00	**$ 0.014**	$ -	**$ 0.025**
Fuel Oil/gas**	$ 11,707.21	**$ 0.171**	$ 15,441.00	**$ 0.075**	$ -	**$.04 - .07**
Refuse		**$ -**	$ 1,000.00	**$ 0.005**	$ -	**$ 0.015**
Lawn/yard Care		**$ -**	$ 13,187.00	**$ 0.064**	$ -	**$.015 - .025**
Snow/sanding		**$ -**	$ 11,885.00	**$ 0.058**	$ -	**$.020 - .030**
Repairs		**$ -**	$ -	**$ -**	$ -	
Janitorial		**$ -**	$ 45,848.00	**$ 0.222**	$ -	**$ 0.200**
**Heat type	fuel oil		natl. gas		natl. gas	
Total w/Janitorial				**$ 0.610**		**$.445 - .525**
Total w/o Janitorial		**$ 0.350**		**$ 0.388**		**$.245 - .325**

Expense Forecasts and Use Scenarios

Using the expense data developed in the preceding tables, and considering the alternate potential uses of the HERC building, the following scenarios are presented. These scenarios consider the proportion of the building used for each alternate, an approximate cost to accommodate that use, and the operating expense to the city. Note that the repair/renovation costs are rough approximations only and forecast revenues are subject to adjustment based on the specific use and user.

HERC 1 building ~ Use scenarios				
Scenario 1- Minimum, 5 year holding	Bldg area (sq.ft.)	Income	Expense	Difference
Use: Gym & Zumba room only	6,300			
User: Homer Community Rec (reported fee revenue, Gym only)		**$14,700**	$22,529	$ (7,829)
Required repair/renovation cost estimate				
Separate utilities for cold status of upper level:				
water/sewer			$0	
heating/ventilation system			$0	
Convert building to natural gas heat			$19,000	
Hot mop roof			$0	
Convert fluorescent fixtures to LED			$0	
Any ADA modifications for restroom use			$0	
Total			**$19,000**	
Operating expense estimate (annual)				
Heat			$6,502	
Electric			$11,869	
Water/sewer			$1,512	
Custodial				
Snow/sanding			$1,512	
Lawn/yard			$1,134	
Total			**$22,529**	

Discussion of Fireweed Table HERE

Scenario 3- Total rebuild for community use		Bldg area (sq.ft.)	Income	Expense	Difference
Use:	Total building	16,800			
User:	Homer Community Rec & other user groups		**$0**	$60,077	$ (60,077)
Operating expense estimate (annual)					
	Heat			$17,338	
	Electric			$31,651	
	Water/sewer			$4,032	
	Custodial				
	Snow/sanding			$4,032	
	Lawn/yard			$3,024	
	Total			**$60,077**	

Scenario 4-Demo HERC 2 & sell part of site			Site area/sale price		Income	Expense	Difference
Use:	Any legal use, per zoning	approx.	55,400	sq.ft.			
User:	Sale to private entity	estimated	$15.00	per sq.ft.			
	Gross sale proceeds-land, post demo				**$831,000**	$306,860	$ 524,140
Required repair/renovation cost estimate							
	Demo & clean up cost					$250,000	
	Survey/subdivision of site					$7,000	
	Relocation of utilities as required; water/sewer service to HERC 1					$0	
	Sale commission (RE agent/broker) @	6%				$49,860	
						$0	
						$0	
	Total					**$306,860**	

How Do We Pay For It?

The Task Force reviewed the municipal funding mechanisms presented during the new police station discussions. Fairly quickly, the Task Force determined there is probably low public support for more taxes to pay for any increase in City services or facilities. This sentiment was echoed in our conversations with non-profits and businesses. However, the concept of public–private partnerships did garner some support. Homer has at least two great examples of public private partnerships: the hockey rink and the courthouse. Private entities built those facilities, which are leased long-term or mortgaged by the state or non-profit.

Near Term Funding Options: Increase Revenue and Decrease Costs

Utility costs were an estimated $23,000 in 2017. Revenues are roughly $14,000. Can the City increase facility revenues to pay the full utility costs? Some ideas that should be explored further include:

- Increase user fees at the HERC
- Investigate whether gym rentals would raise enough revenue to not only cover the cost of staff time and utilities for the event, but also contribute to overall utility costs.
- Investigate allowing community organizations/user group rentals to offset increased utility and personnel costs
- A key component for successful short-term revenue and more intensive use is active building management by a designated building manager
- Investigate the payback time for converting to natural gas.
- Capital expenditures could be funded from the existing HERC building depreciation reserve fund, or potential operating surplus, or any other funding mechanism available to the City Council.

Long Term Funding

It may be possible to subdivide a portion of land where HERC-2 currently sits, and sell the property to generate some revenue. There would be some expenses in moving utilities and subdivision costs, but it's possible as much as $500,000 could be generated by selling a portion of the land.

Other funding opportunities include state and federal grant funds, partnerships with organizations that can leverage private foundation funding, taxes, bonds and a service area. Commercial loans were an option presented to the Task Force, which could be repaid through a long-term lease.

Legal Entities and Investment

The Task Force considered three different models of building ownership and operations.

1) Government-owned and managed, paid for by new taxes and increased fees (Government model)
2) Government-owned facility, with a private or nonprofit partnership for management
3) Private or non-profit ownership and management, with a partnership for building use. (3 P, or Public Private Partnership; City retains land ownership, with 3P new build)

Funding: Government Model

If the City decides to renovate the HERC building, or build a new facility, new revenue will be required to pay for it. Financial projections over the coming years do not show enough increase in tax revenue to pay the anticipated expenses. The City is able to raise revenue through sales tax, property tax, and user fees. Through focus groups and Task Force discussions, there seems to be little support for an additional tax increase at this time.

The police station bond and corresponding sales tax increase was just approved by voters. A bond with increased taxes to make the payments may be an option the community wishes to pursue in the future. But as of 2018, the Task Force has determined this is not supported by the public.

3P: Public-Private Partnerships

There are many ways a 3P partnership could work: the City could own the building, or it could be privately owned. The City could manage and maintain it, or a private party could provide those functions.

In the case of the Homer Court House, the state provided funds to expand the privately owned building. The building owner provides all maintenance and janitorial services, and the state is a long-term tenant. As long as the building owner can profit from the lease, it's a great opportunity for the private sector, and significant cost savings to the state; they didn't have to manager a renovation, nor are they responsible for long term maintenance. To apply this example to the city, perhaps the City would provide some funds for a private entity to build a building that includes a gymnasium. The City would contract to use the gym during certain hours (say after school and evenings) and the building owner could use or rent the space all other times. Perhaps they provide scheduling services to the City, or maybe the city provides that in exchange for reduced space rental. Another option could be a commercial loan or revenue bond to pay for renovations, with a long-term lease agreement to repay the loan.

There are many options; it's a matter of seeing if there is an entity in the City that would be interested and has the resources to enter in to such a partnership, and if the public supports the city entering in to such an agreement. During the Task Force process, interest was received from Fireweed Academy and Bunnell Street Arts. A next step for the City might include a formal Request for Proposal (RFP) process to gather proposals and explore sustainable partnership options.

CHAPTER 6: Economic Assessment

With the design of any new facility (including a renovated or new HERC building), it is important to insure the final product meets the needs of the market it is planned to serve. For example, with the current floor space of the HERC-1 building at 16,000 sq.ft., would a renovated HERC-1 (on the same foundation) provide sufficient space for Homer? Is this space too small or larger than actually needed? And, what would the building layout need to be to accommodate the activities planned for the facility?

Pickleball Players in the HERC-1 Gym

To address these concerns, the HERC Task Force used a multi-pronged approach to determine the market needs (present and future) of the Homer community and, importantly, to obtain a better understanding of how these needs would fit into a renovated or new HERC.

A "marketing work group" was established to obtain market data by:

- Conducting individual meetings/discussions with organizations and individuals currently offering community and recreation services.
- Creating a focus group to obtain a better understanding of the needs of certain business organizations.
- Hosting brown bag lunches, with invitations extended to community residents.
- Reviewing current community and recreational studies (for example, the "Parks, Arts, Recreation, and Culture Needs Assessment" dated 2015).

The results of this effort allowed the Task Force to forge a reasonably good assessment of the size, space needs, and growth demands on a HERC facility.

A second working group was established to evaluate the success factors of community and recreation facilities in other Alaska communities. This activity included site visits, surveys, and discussions with senior management at these locations.

In general terms, the working groups determined:

a) Many community and recreational products and services are currently available in Homer. They vary not only in the types offered but in the locations offered. Some are provided by private, for-profit organizations, others by non-profit corporations and others by the City of

Homer "Community and Recreation Program" (CRP). Some compete and some are complementary, while some have found a niche not addressed by another organization.

b) With few exceptions, most community and recreational programs are growing, some faster than others. For example, Pickleball (a recreational activity favored by the relatively older population) grew 365% over the past three years (according to City of Homer's Community Recreational Program statistics). But, growth in wrestling and volleyball (which represents a pastime of the younger generation) has slowed or stagnated.

c) Changes in demand reflects a change in the Homer population demographics and the demand for products and services offered. For example, the growth of senior citizens settling in the area far outstrips the number of births and non-seniors settling. While nationwide the overall population is aging, the aging of the Homer population far exceeds the nation average.

d) Population changes aside, Homer has a dire need for childcare, which could provide a market opportunity for a HERC facility (see further discussion below).

e) Any HERC facility will complement current community and recreation services offered.

f) In general, market demands for HERC products and services are expected to grow steadily over the near future.

g) Statewide, there are both successes and less-than-successful community and recreation centers. Not all centers have met their initial goals.

The changes described above will impact the future size, the types of products/services offered, and the growth of a HERC building.

The principal user of a renovated/new HERC building will be the Homer Community Recreation Program (CRP). Currently, CR programs are spread through a number of different physical locations with the associated management opportunities. Regardless of the size of a renovated/new HERC building however, some CR activities will remain at non-HERC locations but the majority will migrate to the HERC.

As the marketing work group examined current activities of the Homer CR and other Alaska com/rec centers, a usage pattern materialized. Demand management is an issue: early morning hours and late afternoon/evening hours dominated the demand in both community and recreational activities. Senior groups and childcare needs, however, tend to gravitate towards morning and afternoon use. From the market research of (c) and (d) above, a HERC facility that accommodates senior citizens and childcare will provide significant value to the Homer community, resulting in more efficient use and management of the facility. This determines a market niche that is currently under-served, and could provide income to address increased operations and maintenance expenses.

Chapter 3 in this final HERC report describes the building size that best fits the needs of Homer. Marketing data from this marketing assessment was used to aid in this size determination.

<u>Examples of Major Alternative Sources of Community and Recreation in Homer</u>

While the providers of community and recreation services in Homer are quite varied, a few stand out as major contributors. They are: Bay Club, SPARC, Homer Public Library, Community Recreation and Public Schools, Island and Oceans Center, Kachemak Community Center, Lands' End Resort, and the

Homer Senior Center. This list of providers is not all-inclusive, but these and others were used in the evaluation process. Each provides a unique contribution to the Homer community, but a HERC community recreation center would not be a major competitor.

Examples of Regional Community and Recreational Centers

As explained previously, part of the market research effort included a review/survey of the history and current operation of other select, Alaska community and recreation centers. Of the twelve plus communities researched with a population the size of Homer, only two (Homer and Dillingham) did NOT possess a physical, self-contained community/recreation center. As noted in (g) above, some statewide community/recreation centers are successful, while some are less than successful. Of the twelve, three centers were evaluated in some detail: Sterling Community Center, Kenai Boys and Girls Club (formally Kenai Recreation Center), and Seward Recreation Center.

A copy of the survey completed by Sterling, AK is attached to this final report as an appendix.

Economic Impacts

Thriving small communities are economically successful communities for four primary reasons:

a) Community and environment that encourages entrepreneurship in business and the arts;
b) Public sector friendly to the private sector;
c) Processes that facilitates a highly educated workforce; and,
d) Community that excels in providing a positive quality of life.

Community and recreation are integral parts of (a) and (d) above. Nationwide, community and recreation (com/rec) activities are shown to have positive impacts on communities that embrace it. These opportunities as they relate to either a renovated 'HERC-1' or 'New-HERC' facility. It should be noted that not all impacts are economic. On a broad scale, community health and wellness are important factors for quality of life in a way that is not fully quantified in dollars.

Community/Recreation Is an Integral Part of a Thriving Community

Members from MAPP presented to the Task Force and reinforced two key principles.

1) Community Recreation opportunities and facilities have a direct impact on emotional and physical health, and increase overall resilience for children at risk. Reinforcing resiliency therefore improves the viability of a community as youth age into adulthood.
2) Community Services that include childcare helps retain workers, strengthen our workforce and support overall community health.

The Task Force felt the HERC facility currently contributes to a Thriving Community, and can continue to do so.

Three primary HERC-related activities have the potential to positively impact Homer's economy:

1) Renovation of the existing HERC-1 or construction of a new HERC building;
2) Visitors participating in events offered within and through a HERC building; and,
3) Local entrepreneurial endeavors created within or through a HERC building.

This economic assessment is based on the amount of money injected into the economy from sources outside the Homer area. Public/community money recycled within the Homer are not considered in this economic analysis.

Economic Impacts Directly Related to the Actual Construction/Renovation

Use of taxpayers' money to underwrite the construction cost of a renovated or new HERC is not considered as having an immediate positive economic impact. However, obtaining construction funds from sources from entities outside the service area has a positive economic impact. Correspondingly, positive economic benefits are achieved when construction costs are underwritten directly through private sources, or through a public private partnership (PPP).

[Note: Not all construction costs can be directly attributed to economic value. For example, when construction materials are purchased from outside Homer those costs, while part of the original construction cost estimate, are not captured by Homer.]

The economic value for either a renovated HERC-1 or new HERC are:

(a) Renovated HERC-1, assuming construction costs of $5Million, the labor to materials ratio is approximately 70%/30%. The economic impact to the community would be positive. This assumes 30% of materials are purchased from outside the community.

(b) $7.7 Million (using New HERC, assuming construction costs of $5 Million, and a labor to materials ratio of approximately 50%/50%, the economic impact to the community would be approximately the same as a renovated HERC-1.

From a building construction economic impact basis, there is little difference between renovating the HERC-1 or constructing a new HERC.

Economic Impacts Created By Visitors for Recreational Events

In any economic impact assessment, determining the type and number of "visitors" to a community for an event is prime. A visitor is considered a person from outside the service area who would not normally travel to Homer except to participate in or support an event. The key is to capture visitor data. Unfortunately, very little data has been captured in the past, so comparing the economic impacts of a new or refurbished HERC building can be difficult.

Estimating the economic impact of a renovated or new HERC creates challenges. There are a variety of facilities (Homer High School, existing HERC gym, Homer Middle School, West Homer Elementary School, etc.) where recreational activities currently take place. But there is circumstantial evidence through various nationwide studies to suggest that a renovated or new facility will increase the demand for services offered, increase the number of events provided, or increase the number of visitors from outside the service area. In the case of HERC, it will be a focus for recreation and an identity for the community. Participant visitors will visit because there's a nice place to go and play.

Although not part of this HERC Task Force directive, it is highly recommended that Homer organizations involved in community recreation and arts make a concerted effort to track visitor-related activities which directly impact their contribution to the community's economy. Standardized procedures for collecting data, including a check-list, goes a long way to adding value to grant funding requests.

Economic Impact Example 1: The Kevin Bell Arena (Homer Hockey Association, Inc.)

Construction of the Kevin Bell Arena was completed approximately twelve years ago and is managed/owned by the Homer Hockey Association (HHA). Prior to its construction, hockey enthusiasts played in an open-air hockey rink exposed to the weather or traveled to Kenai. In economic terms, that resulted in a net negative outflow of money wherein Kenai benefited at the expense of Homer.

With the new arena and active marketing, visitors come to Homer. In a recent request for grant funding, the HHA claimed approximately $600,000 in positive economic value in the year 2016, and approximately $700,000 in the year 2017. HHA calculated these dollar values by multiplying the total recorded number of visitors by a standard per-diem dollar amount provided by the Homer Chamber of Commerce.

Economic Impact Example 2: Homer Community Recreation Program – "Pickleball"

Little historical visitor data has been captured for recreation and community events in Homer. But, there is one event where some data has been captured: the "End of the Road Pickleball Tournament" last held June 25 through June 29, 2018. The event hosted 62 guests, of which approximately 50 players not from Homer. Early interest in next year's event, (it's planned to be an annual event), indicates a 50% increase in participants. Visitor interest indicates Homer could become a major stop on the "pickleball circuit".

For the 2018 event, it was estimated the average stay in Homer was 2 ½ nights, with an average expenditure per person of $500, a positive economic impact of approximately $45,000. Data used was captured from a combination of surveys and estimated expenditures from the pickleball organizing committee. A viable HERC com/rec facility is fundamental to the growth needs of pickleball, the annual pickleball tournament, and an aid to the increased economic well-being of Homer.

Economic Impact Example 3: Homer Community Recreation Program- "Popeye Wrestling"

The Popeye wrestling club is part of the Homer CRP program. It hosts a 2-day tournament annually at the Homer High School. It attracts more than 400 wrestlers from throughout the State, and an estimated 250 adult supporters (parents, grandparents as spectators). Using similar expenditure estimates from the pickleball tournament above (no actual economic/expenditure data was captured by the organizers during the wrestling event), the estimated positive economic impact to Homer is approximately $125,500.

Economic Impacts Associated With Entrepreneurial Endeavors

Overall, the growth in the national economy has shifted towards the increase in small, entrepreneurial endeavors. Homer is one of those entrepreneurial-driven economies supporting this trend. One of the most positive impacts that entrepreneurs make on an economy is job creation and the reduction of unemployment levels.

Individuals often resort to entrepreneurship for a number of reasons: profiting from a specific market niche. Assuming two entrepreneurial endeavors per year potentially results in viable businesses employing two people, grossing $75,000 per year in sales. Five years of activity could yield ten new businesses, employing a total of twenty people, grossing $750,000 per year in sales, and contributing to the Homer economy.

Michael Illg, Recreation Manager for Homer's Community Recreation Program (CRP) has instituted an ad-hoc program within the CRP to encourage entrepreneurship in a "maker-space" or "incubator" environment. With a HERC building, budding entrepreneurs may be able to use the CRP facilities and services to test their enterprises in a real business environment. The major hurdle for expanding this program is both permanent physical space that meets health and safety requirements for these endeavors and a coordinated commitment (including marketing) to promote/manage the program. A permanent home at HERC would go a long way to help growing this program.

In conclusion, Homer largely has the four items that contribute to economically successful communities. Integral to a successful community, are quality-of-life issues. This attracts entrepreneurial-minded people and keeps others here. This junction of recreation, arts entrepreneurship and quality of life adds jobs to the community.

The Task Force requested information from six, similar size Alaskan communities. Valdez, Cordova, and Soldotna did not provide information. Kenai, Seward, and Sterling did. Below is the information from the Sterling Community Center to give an idea of the types of information the Task Force considered.

HERC PROJECT
Sample Community and Recreational Facilities
Sterling (Alaska) Community Center

Contacts: Kelly Reilly (Facility Coordinator) 907-262-7224
Deb Debnam, Board Member and Treasurer

Website: www.sterlingcommunityclub.com
https://www.facebook.com/sterlingakcommunitycenter/

Type: Recreation and Community Center

Facilities: Gymnasium, Multipurpose room, Weight Room, Commercial Kitchen, Library

Construction: 2013. Originally built to support the needs of children in the community (next door to local elementary school). But currently the major usage is by senior citizens.

Cost to build: $1.3 million, with many in kind services donated by local businesses. Land was donated.

Activities: Pickle ball, weight room, soccer, basketball, open gym, roller derby, lending library, computer/internet access. Has offered an after school program K-6, $80/month, but demand varies.

Hours of operation: 11 AM – 6 PM, varies

Population Catchment area: 6,000 people

Funding

Current operations funding sources: Private donations, sponsorships, memberships and in-kind services.

Number of Members: 50

Annual Dues: $100

Annual Budget: $80,000 (approximate). Includes the salary of 1 person, liability insurance, utilities.

Annual Revenues: $60,000

Space available for Rent: Yes

Sponsors: Yes ($400 to $2500 per year)

Subsidy: The budget difference is made up from donations (mainly local businesses). But with the recent downturn in the local Sterling/Soldotna economy, donations are becoming harder to obtain.

Legal Organization: Not-for-Profit 501(c)3

Newsletter: Yes

Competition: None in Sterling. Most competition from Soldotna.

Other Notes: The commercial kitchen is a problem, with low usage, and high (relatively) rental fees. No tax base to support the facilities and programs. Board is currently working with senior center to attempt to push for a local service district tax.

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(f) 907-235-3118

To: HERC Task Force
From: Julie Engebretsen, Deputy City Planner
Date: November 13, 2018
Subject: Presentation to the City Council

Requested action: Decide who will be giving the final presentation with Crisi. Provide input on the memo to Council.

The Task Force is scheduled as a visitor for a 10 minute presentation, at the Monday, November 26th Council Meeting. The meeting starts at 6:30. Presentations happen early in the meeting, right after the consent agenda. I suggest two task force members participate, and typically one would be the chair.

I will provide staff support by working with the two speakers to create the presentation.

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To: HERC Task Force
From: Julie Engebretsen, Deputy City Planner
Date: November 13, 2018
Subject: Radio Participation

Volunteers needed: one for the Coffee Table, and one for Chris Story's radio show.

KBBI

The Task Force has confirmed appearance on the Coffee Table on Wednesday, November 28th. Show runs 9 am to 10 am. We need two members to participate; Michael Haines I believe volunteered. Who else? I will attend as well.

Chris Story

As of the writing of this memo, I am awaiting confirmation from Christ Story. I spoke with him earlier this year and he was interested in having a show with the Task Force. Karin Marks has volunteered to participate; who else? (I'll be there too).