

August 2022

Kenai Waterfront Revitalization Assessment

Prepared for
City of Kenai



Prepared by



McKINLEY RESEARCH
GROUP, LLC

Formerly McDowell Group



**Corvus
Design**

P | N | D
ENGINEERS, INC.

TABLE OF CONTENTS

Acknowledgements	1
Kenai Waterfront Assessment Project Overview.....	2
Introduction.....	2
Project Components	2
Community Vision	6
Kenai Waterfront Existing Conditions	8
Zoning.....	8
Uplands Area	9
Soils and Geotechnical	10
Existing Infrastructure	11
Access.....	12
Utilities	12
The Economic Context	14
Demographics	14
Housing	16
Economy.....	17
Tax Revenue.....	19
Seafood Industry	20
Visitor Activities.....	24
Recreation	26
Visitor Attractions	27
Conference and Meeting Spaces	28
Preferred Concept and Cost Estimate.....	30
Alternative Concepts.....	30
Preferred Concept.....	34
Preferred Concept Cost Estimates	43
Funding Strategy.....	46
Public Funding.....	46
Attracting Private Investment	51
Recommended Next Steps	54
Planning.....	54
Financial	54
Public Infrastructure	54
Marketing and Attraction Development	55
Appendix A: Community Vision Results	56
Appendix B: Public Infrastructure Funding Sources	66

LIST OF TABLES

Table 1. Population, Study Area, 2017 - 2021	14
Table 2. Alaska Native and American Indian Heritage, Study Area, 2015 - 2019 Five-Year Estimates	15
Table 3. Age Distribution of Population, Study Area, 2021	15
Table 4. Household Characteristics, Study Area, 2015 - 2019 Five-Year Estimates	16
Table 5. Income Indicators, Study Area, 2015 - 2019 Five-Year Estimates.....	17
Table 6. Employment by Industry, Kenai Peninsula Borough, 2021	18
Table 7. Active Business Licenses by Industry, Kenai, 2022	19
Table 8. Sales Tax Revenues, Study Area, 2017 - 2021	19
Table 9. Kenai Commercial Seafood/Fisheries Indicators, 2017 - 2020	20
Table 10. Salmon Fishery Permits Returned (Used), Cook Inlet Personal Use Fisheries, 2017 - 2021	22
Table 11. Catch Counts, Kenai River Dip Net Fishery, 2017 - 2021 (fish caught, all species)...	23
Table 12. Sport Fishing Catch, Kenai Peninsula, 2016 - 2020.....	24
Table 13. Top Visitor Activities, Kenai/Soldotna and Southcentral Alaska, 2016.....	25
Table 14. Average Length of Stay and Lodging Types Used, Kenai/Soldotna and Southcentral Alaska, 2016	25
Table 15. Deplanement Counts, Kenai Municipal Airport, 2010 - 2021	26
Table 16. Conference and Meeting Facilities, Kenai	28
Table 17. Conference-Quality Rooms, Kenai	29
Table 18. Cost Estimates, Rough Order of Magnitude, Kenai Waterfront Revitalization	44
Table 19. Traditional Methods of Local Infrastructure Financing.....	47

LIST OF FIGURES

Figure 1. Zoning, Kenai Waterfront Study Area	8
Figure 2. Hydrology, Kenai Waterfront Study Area	9
Figure 3. Topography, Kenai Waterfront Study Area	10
Figure 4. Land Ownership, Kenai Waterfront Study Area.....	11
Figure 5. Utilities, Kenai Waterfront Study Area	12
Figure 6. Population Projections, Kenai Peninsula Borough, 2021 - 2045	14
Figure 7. Average Single-Family Home Sales, Kenai Peninsula Borough and Alaska Statewide, 2019 - 2021	17
Figure 8. Monthly Employment, Kenai Peninsula Borough, 2019 - 2021	18
Figure 9. Monthly Food Processing Employment, Kenai Peninsula Borough, 2019 - 2021	21
Figure 10. Alternative Concept A	31

Figure 11. Alternative Concept B	32
Figure 12. Alternative Concept C	33
Figure 13. Preferred Concept, Land Ownership.....	37
Figure 14. Preferred Concept, Key Plan	38
Figure 15. Preferred Concept, Enlargement 1.....	39
Figure 16. Preferred Concept, Enlargement 2.....	40
Figure 17. Preferred Concept, Enlargement 3.....	41
Figure 18. Preferred Concept, Key Infrastructure and Land Ownership.....	42
Figure 19. City of Kenai Infrastructure Development Funding Options.....	50

Acknowledgements

CLIENT

The City of Kenai

MAYOR AND CITY COUNCIL MEMBERS

Brian Gabriel (Mayor)

Glenese Pettey

Jim Glendening (Vice Mayor)

Deborah Sounart

James Baisden

Teea Winger

Henry Knackstedt

PLANNING AND ZONING COMMITTEE

Jeff Twait (Chair)

Joe Halstead

Diane Fikes (Vice-Chair)

Robert Springer

Alex Douthit

Gwen Woodard

Gary Greenburg

CITY PROJECT TEAM

Paul Ostrander, City Manager

Terry Eubank, Finance Director

Randi Boyles, Assistant to the City Manager

Max Best, Interim Planning Director

PLANNING TEAM

McKinley Research Group, LLC; Corvus Design, Inc.; and PND Engineers, Inc.

OUR APPRECIATION

To Kenai's citizens, businesses, stakeholders, and all who participated in the waterfront assessment. Your involvement and voice informed this assessment.

Kenai Waterfront Assessment Project Overview

Introduction

The City of Kenai contracted with McKinley Research Group and its subcontractors, PND Engineers and Corvus Design, to develop a Kenai Waterfront Redevelopment Assessment and Vision. The City is considering redevelopment strategies to maximize the potential of the waterfront area to support a thriving business, residential, recreational, and cultural community. The waterfront study area covers about 160 acres and includes ten City-owned parcels and 18 privately-owned parcels. The parcels are located in upland and tideland areas adjacent to the Bridge Access Road beginning at Scenic Bluff Outlook east of the Kenai Senior Center, and stretching to the Kenai City Dock within the City of Kenai near the mouth of the Kenai River. Six of the privately-owned parcels are under long-term leases for commercial fishing dock facilities, fish processing, and associated accessory structures and parking.

The study team was asked to evaluate market conditions and economic context for potential revitalization of the area; review existing plans, zoning, and regulatory issues to identify constraints and opportunities; use community engagement to develop vision, core concepts, and priorities; prepare a preferred visioning concept for potential redevelopment; develop an associated cost assessment for public infrastructure; and identify potential City investments and economic incentives to encourage development.

Project Components

Vision Work Session

The study team facilitated a *Vision Work Session* to collect 'high elevation' community input to understand opportunities, concerns, priorities, and desired programming and infrastructure for the area.

Prior to the *Vision Work Session*, the study team worked with the City of Kenai to refine the session's agenda and exercises. To build awareness and encourage participation, the City constructed a webpage for the waterfront assessment with information about the assessment and work session, sent postcards to property owners within and around the waterfront area, created a public notice in accordance with the provisions of the Alaska Open Meetings Act, and

published a notice of public meeting in the Peninsula Clarion, as well as at City Hall, Kenai Post Office, Kenai Community Library, and the City's Facebook page.

The *Vision Work Session* was held on Thursday, February 24, 2022, at the Kenai Chamber of Commerce and Visitors Center. The session was opened by Paul Ostrander, City of Kenai City Manager, who extended a welcome and provided background on the Kenai Waterfront Revitalization Assessment. Corvus Design then led about 40 residents (including City staff) through a series of facilitated exercises. The session length was two hours.



Attendees were broken into small groups of 7-8 participants to share their insights and ideas. In addition to collecting input, the facilitated sessions allowed community members to discuss the project, listen to new and opposing ideas, and develop trust in the development process. Community members who could not attend the session provided their input through a Community Feedback Online Survey located on the City's project webpage. A summary of the key take-aways and input can be found in *Appendix A: Community Vision Results*.

Existing Conditions and Economic Context

Where available, data are presented for the City of Kenai and the waterfront study area. The data reflects the economic context and existing conditions for waterfront redevelopment. Select socioeconomic indicators also include comparison data for the "Kenai Region" (Kenai, Soldotna, Kasilof, Nikiski, and Sterling) and the Kenai Peninsula Borough.

Alternative and Preferred Concepts Development

On May 2, 2022, the study team facilitated a second series of public meetings at the Kenai Chamber of Commerce and Visitors Center. The session was opened by Paul Ostrander, City of Kenai City Manager, who extended a welcome and provided background on the Kenai Waterfront Revitalization



Assessment. A summary of the February vision work session and economic context was presented. Participants were then divided into seven groups of about 4 participants each and

were asked to put ideas directly on maps of the study area. Each group took turns presenting their ideas to the full group.

The next day (May 3, 2022), during a day-long work session, Corvus Design synthesized the seven concepts developed by the community into three alternative vision concepts. The public was encouraged to visit the session throughout the day; about 10 community members dropped in to offer further information and insights.

PUBLIC REFINEMENT AND SELECTION OF PREFERRED PLAN

On the evening of May 3, 2022, these three refined alternative concepts were presented to the community and the City of Kenai, with about 30 members of the public in attendance. A description of each alternative concept can be found in the *Preferred Concepts* section. Community members were asked to note what they liked, didn't like, or desired to see changed for each concept.

Members were then asked to select one of the three alternative concepts that best met their preferred vision. Concept C was selected. After the community meeting, City staff reviewed the comments on each of the three plans and provided additional support and further refinement for Concept C to be used as the basis for developing the preferred concept.

PREFERRED CONCEPT RENDERINGS

After Concept C was selected as the basis for developing the Preferred Concept, Corvus Design further refined the Preferred Concept by integrating favored design components from the other concepts, direction from the City, general site planning refinement, and factoring in other land use features.

PREFERRED COST ESTIMATES

PND Engineers developed a Rough Order of Magnitude (ROM) cost estimate for site preparation and infrastructure development, considering the responsibilities of the City of Kenai (i.e., roads, public trails/boardwalk, utility extensions, parks and playgrounds, and public buildings and spaces). The remainder of the preferred concept (e.g., commercial buildings, retail shops, hotels, or residential buildings) was not included in the cost estimate. Cost estimates were developed in accordance with the Association for the Advancement of Cost Engineering (AACE). The cost estimate is presented in current, Q2 2022 costs and does not include inflation or escalation. To account for non-construction related costs, such as preliminary investigations, engineering, construction administration, and permitting, unit costs were increased by 30%. In accordance with AACE recommendations, a 30% contingency was added to account for the conceptual level of design presented in the preferred concept. Additionally, due to the conceptual level of design and minimal scope definition, costs are presented in a range. That is, a minus 30% and plus 100% range.

OTHER COMMUNITY OUTREACH

Throughout the study individual interviews were conducted with businesses and landowners operating in the study area or elsewhere in Kenai. On May 11, 2022, the project team also made a special presentation to the Kenaitze Indian Tribal Council, providing a background on the visioning process and development of the Preferred Concept, and soliciting comments and suggestions.

Assessment of Funding Sources and Incentives

Finally, McKinley Research Group assessed applicability of a wide variety of grants and finance programs available to support key components of the public infrastructure envisioned in the Preferred Concept. Additionally, the use of existing and potentially new financial incentives to attract private investment in the Waterfront Revitalization was presented for consideration by the City.

Community Vision

Based on information gathered at the *Vision Work Session* and following meetings, the study team found that the community of Kenai supports new development in the project area but conveyed that it should not be at the expense of impacting existing uses, primarily seafood plant operation and the ability to access the Kenai River and its resources. Participants in the visioning process also conveyed a wish to expand access to the area for both locals and visitors, while protecting the natural environment. The community shared a wish for the waterfront revitalization to be authentic, protective of the river and natural environment, accessible year-round, and to provide economic opportunities. There is a need to protect and celebrate the area's history, culture, and the outstanding views of the river, surrounding landscape, wildlife, and volcanoes. The phrase, "Build it for the locals, and the visitors will love it" is important in meeting these criteria.

There is consensus that the waterfront area should be revitalized for mixed-use, including a destination facility or 'anchor tenant' such as a convention center, lodge, hotel, or other facility that meets local needs and draws visitors. The feasibility of creating an environment that supports new businesses, such as restaurants, breweries, tackle shops, tour operations, and general commercial and retail, will need to be investigated to determine if subsequent planning is viable and if these businesses have market potential. The area may also support housing, boardwalks, parks and open spaces, campgrounds, and recreation, as well as expand and improve river access and needed support facilities. Integrating the existing seafood plants into the overall revitalization effort would meet the community's desire to represent an authentic working waterfront. Further information is required to understand current landowner and key stakeholder interests, including the seafood processor's future safety and operation concerns, and how these facilities could become vibrant components of the revitalization effort.

Bridge Access Road is a high-speed highway and site access is challenging in its current configuration. Providing safe access to and within the site will be critical to its success. Motorized and non-motorized users will need to be separated for efficient and safe movement of vehicles and freight, and to create a pleasant setting for non-motorized users. Although utilities are in the immediate vicinity, additional utility infrastructure will be needed to support the desired mixed-use concept. The creation of gateways, improving visual access to the site, and creation of a new community destination will improve the visibility of the project area.

Finally, the study team also received feedback about the importance of maintaining and protecting natural areas around the Kenai River, while improving public access. Limiting development to low impact uses, such as recreation and water-dependent uses, was recognized as a priority, as well as identifying unique or sensitive areas that support preservation of lands, wildlife, and fish.

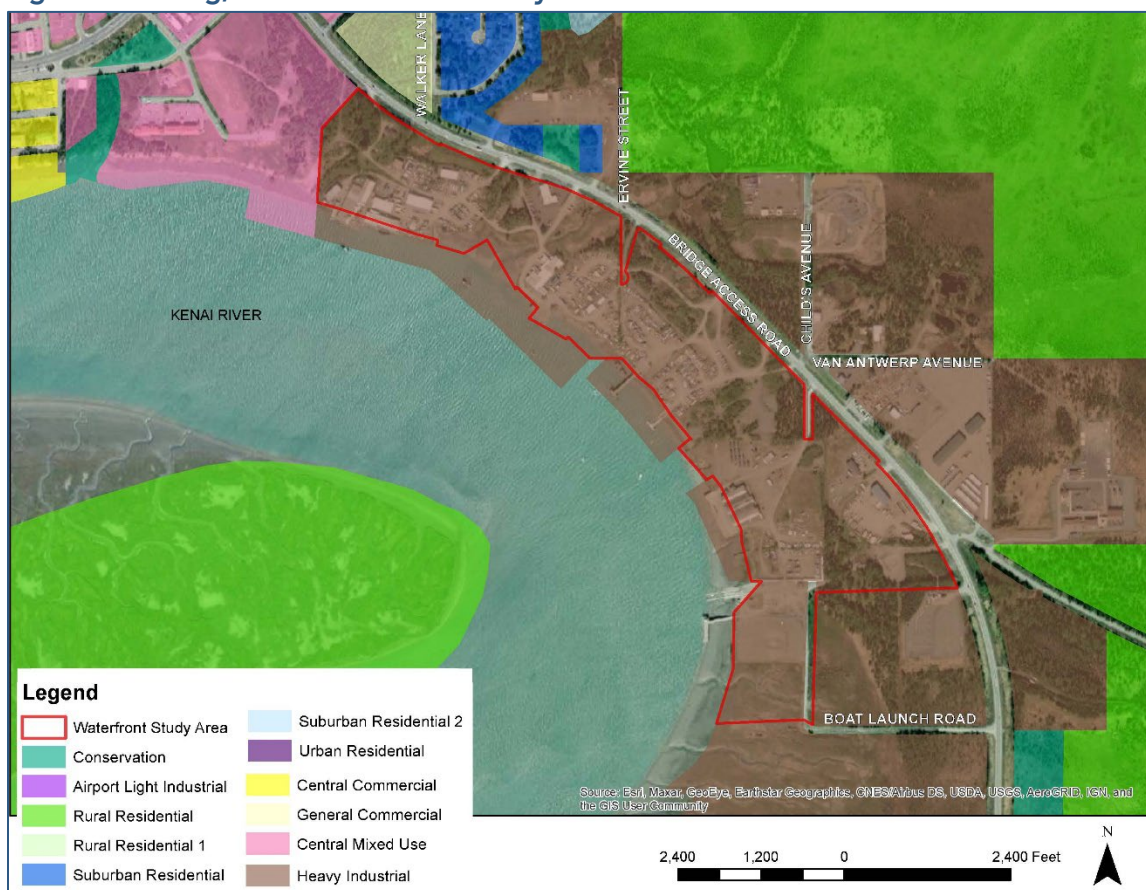
Critical to success will be the development of incentives and other programs that will bolster economic development and facilitate private/public partnerships.

Kenai Waterfront Existing Conditions

This section provides a description of the waterfront's current zoning, hydrology, soils, geotechnical features, infrastructure, transportation access, and utilities.

Zoning

Figure 1. Zoning, Kenai Waterfront Study Area



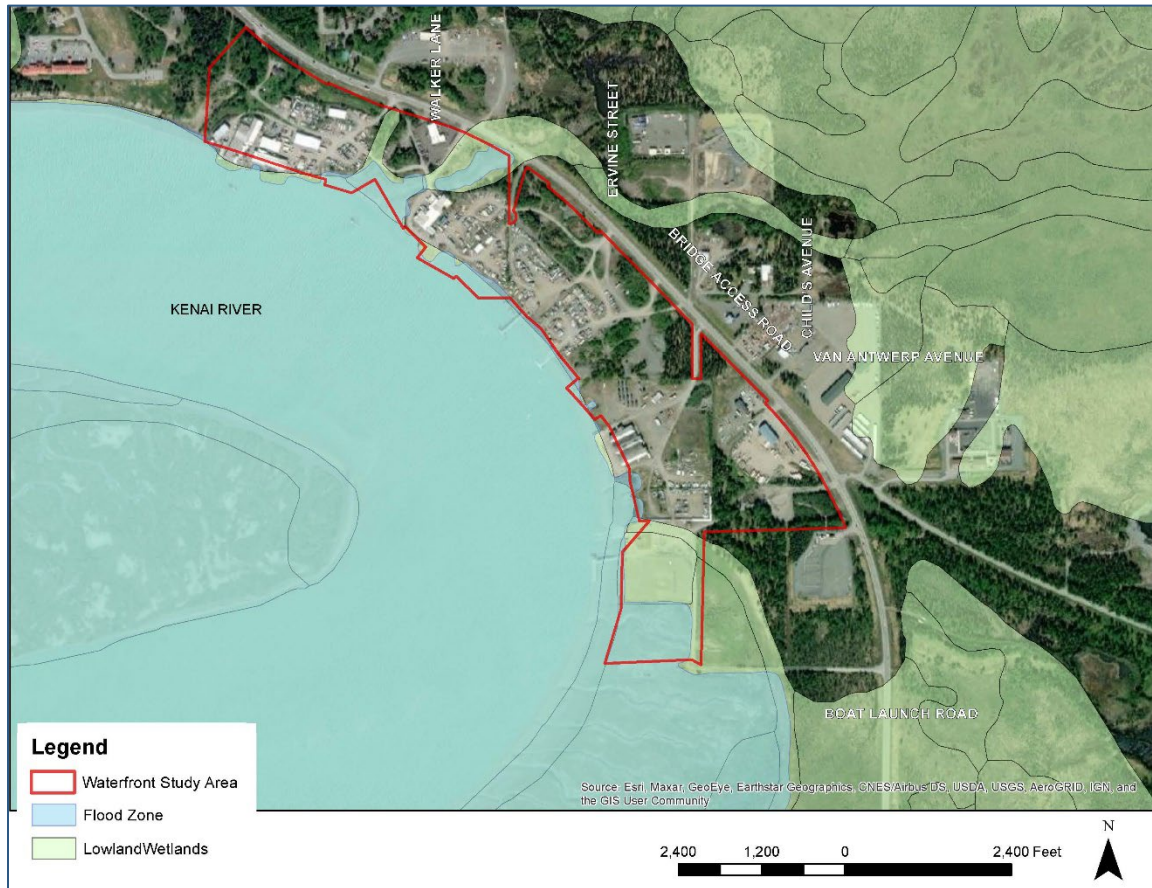
The Waterfront Study Area is zoned as Heavy Industrial and consists primarily of privately-owned parcels; there are two municipal-owned parcels at the south end near the City Boat Launch and four municipal-owned parcels near the northern end of the study area.¹ The Heavy Industrial Zone designation was established to allow a broad range of industrial and commercial uses. It

¹ City of Kenai GIS

is intended to apply to industrial areas which are sufficiently isolated from residential and commercial areas to avoid any nuisance effect.²

Uplands Area

Figure 2. Hydrology, Kenai Waterfront Study Area



The riverside area of the existing gravel infrastructure is a FEMA-regulated flood zone (Zone AE to elevation 18 feet referenced to the North American Vertical Datum of 1988); however, the developed uplands appear to be above the floodplain.³ Wetlands, along with a small drainage, span the southern portion of the study area and are within the floodplain. The entire study area is near the mouth of the Kenai River and sees tidal differences exceeding 20 feet.⁴ The Kenai River has a strong current with higher velocities acting on the outer bends of the river. Active erosion is occurring just downstream of the study area along the north bank, and the City of

² <https://kenai.municipal.codes/KMC/14.20.140> (Accessed 3/16/2022).

³ FEMA Flood Insurance Rate Map (FIRM) Panel 02122C0140E, Effective October 20, 2016.

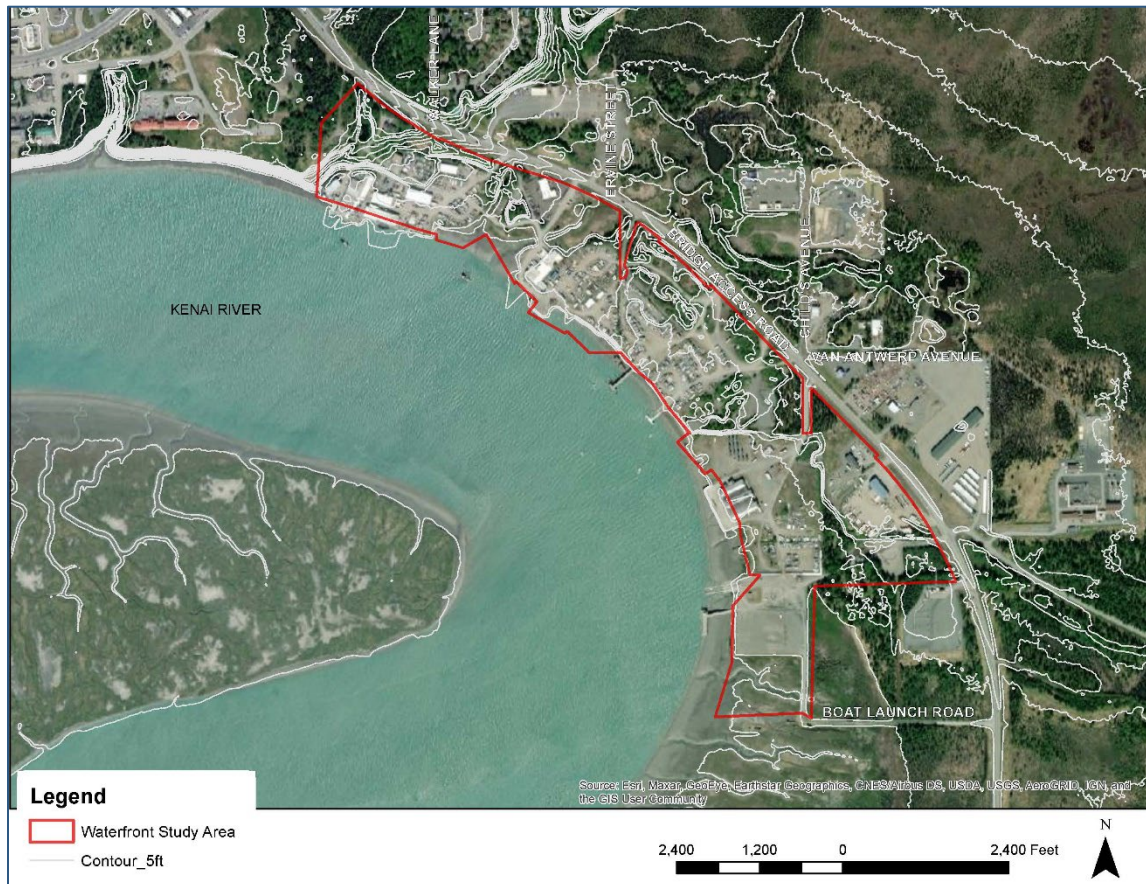
⁴ NOAA tidal predictions at the Kenai River Entrance (Station TWC1983)

<https://tidesandcurrents.noaa.gov/noaatidepredictions.html?id=TWC1983&legacy=1> (Accessed 3/14/2022).

Kenai is currently working through bluff erosion mitigation options at this location. Most of the study area is developed with limited vegetated areas at the southern end and in other areas along Bridge Access Road.

Soils and Geotechnical

Figure 3. Topography, Kenai Waterfront Study Area

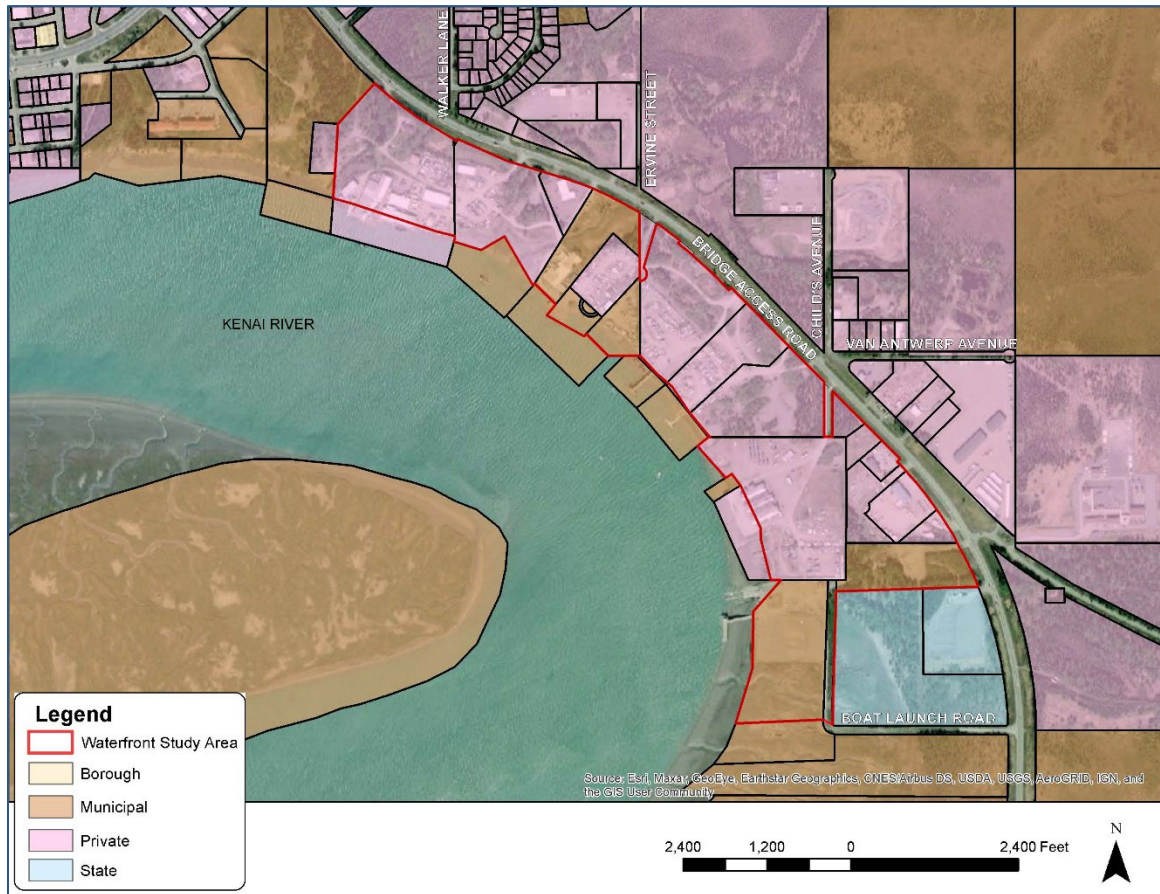


Soils in undeveloped areas consist of a mixture of Kalifonsky silt loam in areas adjacent to Boat Launch Road, and Typic Cryaquents (consisting of very gravelly sand topped with silt loam and organics) in tidal and wetland areas at the southern end of the study area.⁵ These soil types are both poorly drained soils with high runoff rates. Most of the study area is developed with gravel surfacing. It is likely that remaining undeveloped areas can successfully be developed; however, no subsurface geotechnical data are available for these areas and should be further assessed prior to development.

⁵ NRCS Soil Survey, <https://websoilsurvey.sc.egov.usda.gov/App/WebSoilSurvey.aspx> (Accessed 3/14/2022).

Existing Infrastructure

Figure 4. Land Ownership, Kenai Waterfront Study Area



Infrastructure on the private lots and adjacent tidelands include gravel pads, commercial buildings, canneries, and docks. The municipal-owned parcel at the southern end of the study area includes a gravel road access, parking area, a dock, boat launch, and an elevated viewing platform.



The City of Kenai operates the City Dock including a commercial dock with three cranes, four boat launch ramps, parking for 238 vehicles with trailers, parking for 45 passenger vehicles, accessible parking for individuals with disabilities for 12 vehicles with trailers, and accessible parking for eight passenger vehicles. The facility also includes restrooms with running water.⁶

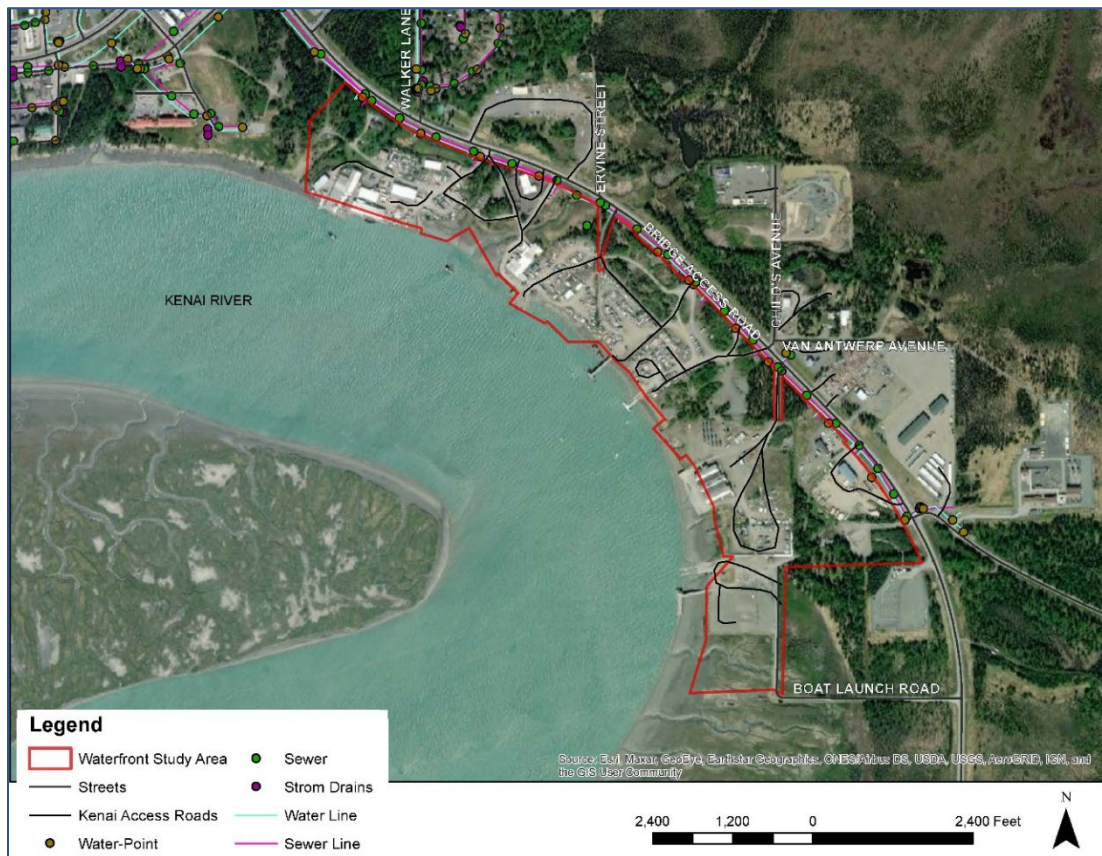
⁶ <https://www.kenai.city/dipnet/page/city-dock> (Accessed 3/17/2022).

Access

Access to the waterfront is from Bridge Access Road, a two-lane highway with a posted speed limit between 45 and 55 miles per hour adjacent to the study area. City right-of-way (ROW) exists along Boat Launch Road, coming from Bridge Access Road at the south end of the study area to the City Boat Launch. Other access within City ROW is through Childs Avenue, accessing the Port of Kenai, and through Ervin Circle, which terminates at a municipal-owned parcel that is currently leased to a private user. A portion of Boat Launch Road off Bridge Access Road is paved. The remaining length of the road and other access points into the study area are gravel surfaced and appear to be in fair condition.

Utilities

Figure 5. Utilities, Kenai Waterfront Study Area



Utility specifics within the study area are limited. Municipal water supply and sewer runs within the Bridge Access Road ROW in 12-inch-diameter ductile iron pipe and 10-inch-diameter ductile iron pipe, respectively. Some small-diameter service lines branch off the mains at Bridge Access Road towards the study area, but sizes and locations are unknown. An 8-inch diameter water

main and an 8-inch diameter sewer main branch off from Bridge Access Road into the study area within the Childs Avenue ROW.

Hydrants are provided on the west side of Bridge Access Road at approximately 550-foot spacing, extending about 225 feet south of the Beaver Loop Road intersection with Bridge Access Road. No municipal stormwater infrastructure exists within the study area. Stormwater currently drains overland towards the Kenai River and is assumed to be conveyed under driveways and roads through cross-drainage culverts.

Homer Electric runs overhead 3-phase power on the east side of Bridge Access Road from the northwest end of the study area south to Beaver Loop Road intersection. Overhead 3-phase lines cross Bridge Access Road at several locations adjacent to the study area. Power is carried from 3-phase overhead lines to 3-phase underground in various locations. Electrical service is clustered in three locations: the northwestern end of the study area, the central area near the leased municipal lots, and the southern area including the municipal parcel containing the City Dock and the adjacent private parcel owned by the Port of Kenai.⁷

Enstar runs a 4-inch-diameter gas main along the southwest side of Bridge Access Road.⁸

⁷ Personal communication - Karla Appelhans (Homer Electric Association) (3/10/2022).

⁸ Personal communication - Joseph Dickerson (ENSTAR) (3/8/2022).

The Economic Context

The following section describes the key demographic and economic trends impacting Kenai and the economic context and market forces for revitalization for the Kenai waterfront.

Demographics

Kenai's population reached 7,380 in 2021, a 4.6% increase over the previous five years. For this same period, the growth rate for the number of people in the larger Kenai Region (Kenai, Soldotna, Kasilof, Nikiski, and Sterling) also increased, but only at 0.5%. In total, the population of the Kenai Peninsula Borough increased by 764 people (or 1.3%) from 2017 to 2021.

Table 1. Population, Study Area, 2017 - 2021

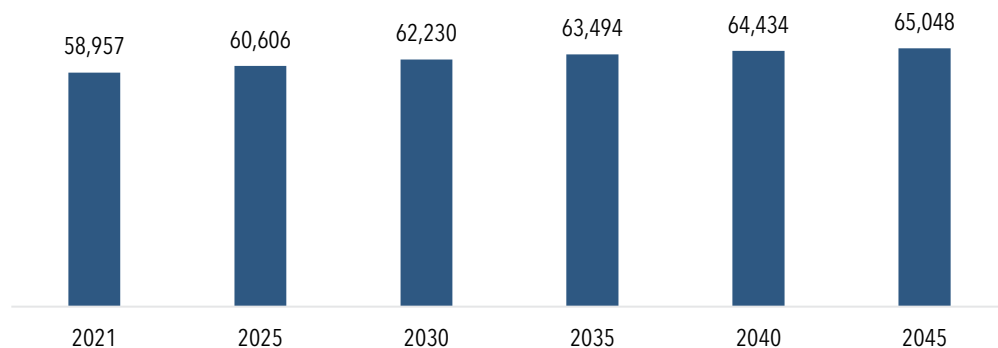
Year	Kenai City	Kenai Region	Kenai Peninsula Borough
2017	7,053	22,681	58,193
2018	6,985	22,483	58,387
2019	7,070	22,377	58,499
2020	7,424	22,665	58,799
2021	7,380	22,789	58,957
Change, 2017 - 2021	327	108	764
Percent Change, 2017 - 2021	4.6%	0.5%	1.3%

Source: Alaska Department of Labor and Workforce Development, Population, 2017 - 2021.

Note: Kenai Region includes Kenai, Soldotna, Kasilof, Nikiski, and Sterling.

The Alaska Department of Labor and Workforce Development projects the Kenai Peninsula Borough population will grow to 65,048 by 2045, a 10% increase from the current population. Projected annual rates of population growth for the borough are similar to the low growth rates expected statewide through 2045.

Figure 6. Population Projections, Kenai Peninsula Borough, 2021 - 2045



Source: Alaska Department of Labor and Workforce Development, Population Projections.

About 19% of Kenai's population identifies as Alaska Native or American Indian. The largest proportion of Alaska Native and American Indian residents in all three regions are of Alaska Athabascan descent. There are also high proportions of residents with unspecified Alaska Native heritage, as well as residents with Unangan (Aleut) or Iñupiat heritage.

Table 2. Alaska Native and American Indian Heritage, Study Area, 2015 – 2019 Five-Year Estimates

Alaska Native/American Indian Tribal Group	Kenai City	Kenai Region	Kenai Peninsula Borough
Athabascan	24.7%	21.1%	24.0%
Iñupiat	17.7%	14.5%	14.5%
Unangan (Aleut)	15.2%	14.6%	17.2%
Yup'ik	13.8%	9.5%	8.9%
American Indian	6.9%	11.7%	9.8%
Tlingit-Haida	3.9%	7.0%	4.2%
Tsimshian	0.0%	0.0%	0.7%
Alaska Native - not specified	17.8%	20.8%	17.9%
Two or more American Indian or Alaska Native Tribes	0.0%	0.8%	2.7%
Total	100.0%	100.0%	100.0%

Source: U.S. Census Bureau, American Community Survey, 2015 – 2019.

Note: Kenai Region includes Kenai, Soldotna, Kasilof, Nikiski, and Sterling.

The median age of Kenai Peninsula Borough residents is 42.1, about 6 years older than the Alaska median age of 36.0. In the Kenai Region, Sterling had the highest median age (46.5), and Kenai had the lowest (36.3).

The City of Kenai has a younger population than the Kenai Peninsula Borough. Kenai has a higher proportion of residents ages 0-19 and 20-39 than the Kenai Peninsula Borough.

Table 3. Age Distribution of Population, Study Area, 2021

Age Bracket	Kenai City		Kenai Peninsula Borough	
	Count	Percent of Total	Count	Percent of Total
0-19	2,143	29.0%	14,341	24.3%
20-39	1,948	26.4%	13,611	23.1%
40-64	2,147	29.1%	19,236	32.6%
65+	1,142	15.5%	11,769	20.0%
Total	7,380	100.0%	58,957	100.0%

Source: Alaska Department of Labor and Workforce Development, Population, 2021.

Nearly 54% of households in Kenai are classified as family households, defined as persons related by marriage or birth living together. This proportion is lower than the Kenai Peninsula Borough rate of 63%, and the statewide rate of 66%. In Kenai, the Kenai Region, and the Kenai Peninsula Borough, about one-fourth of households include at least one person under age 18. On average, households in the Kenai Peninsula Borough include 2.63 people. Households in Kenai are slightly smaller on average at 2.45.

Table 4. Household Characteristics, Study Area, 2015 – 2019 Five-Year Estimates

Year	Kenai City		Kenai Region		Kenai Peninsula Borough	
	Count	Percent	Count	Percent	Count	Percent
Family Households	1,684	53.6%	5,336	61.1%	13,603	62.9%
Nonfamily Households	1,459	46.4%	3,398	38.9%	8,027	37.1%
Households with Children	842	26.8%	2,321	26.6%	5,717	26.4%
Average Household Size	2.45	-	2.57	-	2.63	-
Total Households	3,143	100%	8,734	100%	21,630	100%

Source: U.S. Census Bureau, American Community Survey, 2015 – 2019.

Note: Kenai Region includes Kenai, Soldotna, Kasilof, Nikiski, and Sterling.

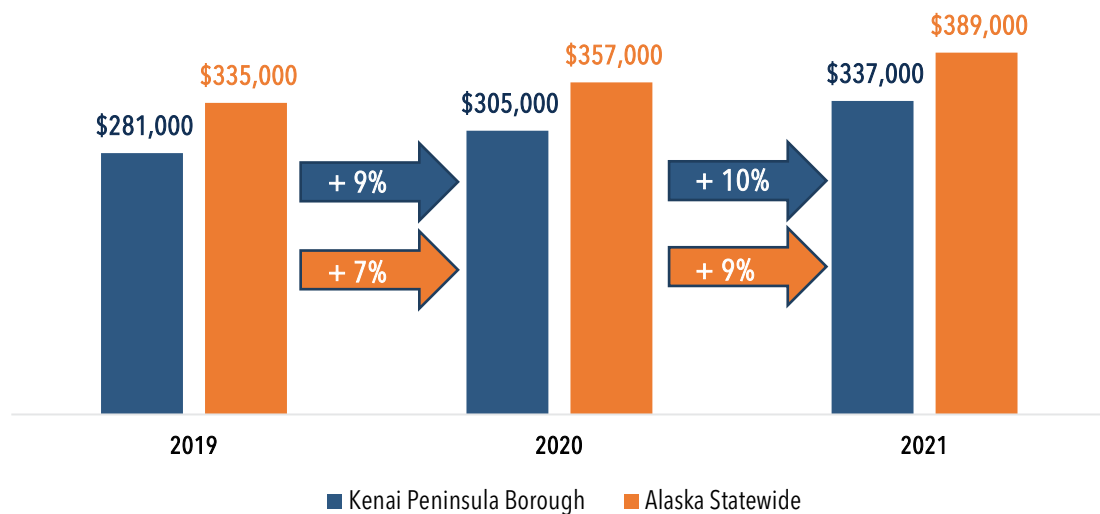
Housing

Following statewide trends, single-family home prices in the Kenai Peninsula Borough have increased over the last several years. Borough single-family home prices averaged \$337,000 in 2021, nearly \$60,000 (20%) more than in 2019 (*See figure next page.*) The number of homes sold has also accelerated. In 2021, 788 loans were made for residential properties in the Kenai Peninsula Borough, an increase of 22% compared to 2019.

Average rental costs in the Kenai Peninsula were \$1,091 in 2021, lower than the statewide average of \$1,264. Rental vacancy rates have decreased throughout the state after the pandemic. Kenai Peninsula Borough vacancy rates were 7.3% in 2021, slightly higher than statewide vacancy rates (5.9%).

About 26% of households in the Kenai Peninsula Borough are cost-burdened, slightly lower than the statewide percentage of 29%. The U.S. Census Bureau defines cost-burdened households as owners or renters that spend over 30% of their household income on housing costs.

Figure 7. Average Single-Family Home Sales, Kenai Peninsula Borough and Alaska Statewide, 2019 - 2021



Source: Alaska Department of Labor and Workforce Development, Research and Analysis, Loan Activity by Housing Type.

Economy

The average household income in the Kenai Peninsula Borough is \$85,348, while the median household income is \$66,064. Average and median household incomes are slightly lower in the City of Kenai, at \$82,662 and \$61,348, respectively.

Table 5. Income Indicators, Study Area, 2015 – 2019 Five-Year Estimates

Year	Kenai City	Kenai Peninsula Borough	Alaska
Median Household Income	\$61,348	\$66,064	\$77,640
Average Household Income	\$82,662	\$85,348	\$98,606

Source: U.S. Census Bureau, American Community Survey, 2015 – 2019.

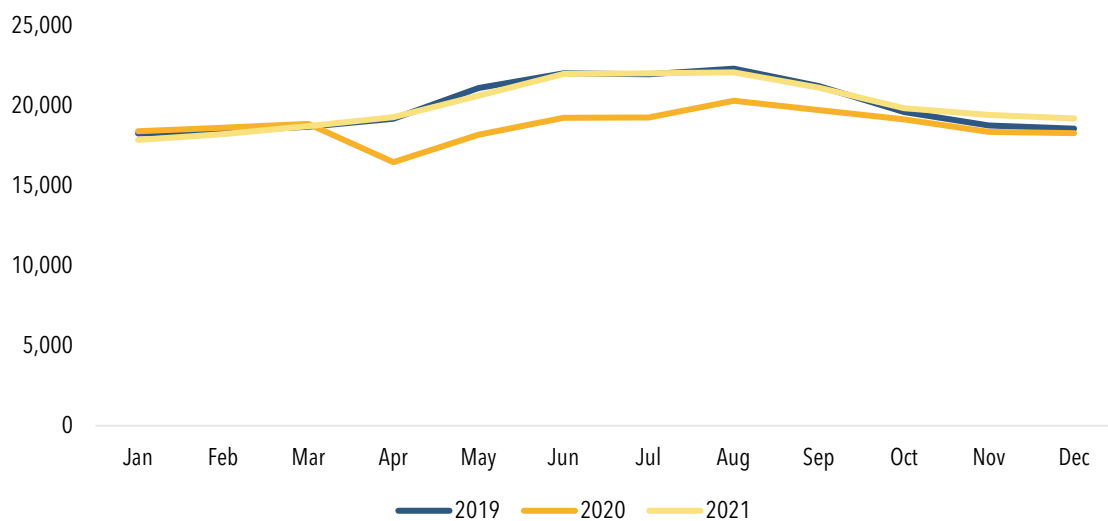
Government jobs make up the largest category of employment in the Kenai Peninsula Borough (23% in Q1-Q3 2021), followed by trade, transportation, and the utilities sector (21%). While natural resources and oil industry jobs only make up 4% of employment, they pay the highest monthly wages (\$10,046). (See table next page.)

Table 6. Employment by Industry, Kenai Peninsula Borough, 2021

Industry	Average Annual Employment	Percent of Total Employment	Average Monthly Wages
Government	4,752	23.7%	\$5,434
<i>Local Government</i>	3,214	16.0%	\$5,284
Trade, Transportation, and Utilities	4,100	20.5%	\$3,649
<i>Retail Trade</i>	2,793	13.9%	\$2,794
<i>Transportation and Warehousing</i>	873	4.4%	\$4,403
Educational and Health Services	3,291	16.4%	\$4,504
<i>Health Care and Social Assistance</i>	3,155	15.7%	\$4,603
Leisure and Hospitality	2,554	12.7%	\$2,214
<i>Accommodation and Food Services</i>	2,300	11.5%	\$2,216
Manufacturing	1,061	5.3%	\$6,449
Construction	963	4.8%	\$5,103
Natural Resources and Mining	875	4.4%	\$11,564
Professional and Business Services	857	4.3%	\$4,289
Other Industries	1,583	7.9%	\$3,940
Total	20,036	100.0%	\$4,644

Source: Alaska Department of Labor and Workforce Development, Quarterly Census of Employment and Wages, 2021.

Employment in the Kenai Peninsula Borough experiences seasonal surges in summer months due to the salmon fishery. Peak employment in 2021 occurred in August, at 22,105.

Figure 8. Monthly Employment, Kenai Peninsula Borough, 2019 - 2021

Source: Alaska Department of Labor and Workforce Development, Quarterly Census of Employment and Wages, 2019 - 2021.

Of the 1,678 active business licenses registered in Kenai, the largest proportion of companies are classified under Real Estate, Trade, and Other Services industries.

Table 7. Active Business Licenses by Industry, Kenai, 2022

Industry	Number of Business Licenses
Finance and Insurance, Real Estate, Rental, and Leasing	263
Trade (Wholesale and Retail)	262
Other Services (hair salons, mechanics, etc.)	232
Professional, Scientific, Managerial, and Technical Services	179
Educational and Health Services	143
Manufacturing (including Seafood Processing)	142
Accommodation and Food Services	129
Arts, Entertainment, and Recreation	126
Agriculture, Forestry, Fishing and Hunting	100
Construction	90
Administration, Support, Waste Management and Remediation Services	87
Transportation and Warehousing	56
Mining	20
Information	20
Public Administration	6
Total Active Business Licenses	1,678

Source: Alaska Department of Commerce, Community, and Economic Development.

Note: Industry totals are not additive, as many companies are classified under multiple industries.

Tax Revenue

Kenai Peninsula Borough sales tax revenues have increased 23.9% from 2017 to 2021, an increase of \$7.3 million. Sales tax revenues in Kenai increased by 26.1% (\$1.8 million) in the same period.

Table 8. Sales Tax Revenues, Study Area, 2017 - 2021

Year	Kenai City	Kenai Peninsula Borough
2017	\$6,941,134	\$30,650,805
2018	\$7,167,722	\$31,915,183
2019	\$7,497,734	\$35,451,320
2020	\$7,925,559	\$30,045,236
2021	\$8,749,554	\$37,982,761
Change, 2017 - 2021	\$1,808,420	\$7,331,956
Percent Change, 2017 - 2021	26.1%	23.9%

Source: City of Kenai and Kenai Peninsula Borough.

Seafood Industry

Fishing – subsistence, commercial, and personal use harvest – plays a central role in the history and the current economy of the Kenai area.

Commercial



Photo credit: Peninsula Clarion

All five species of Pacific salmon are found in Cook Inlet and are fished commercially from Kenai. Other smaller commercial fisheries take place for herring, smelt (hooligan), and razor clams. Commercial fishing for groundfish including halibut, Pacific cod, sablefish, and rockfish also occurs in Cook Inlet, although fishing is concentrated in the lower inlet south of Anchor Point and in the Gulf of Alaska.

Both the value and volume of Kenai’s commercial harvest fell sharply in 2020. This was due largely to it being a poor year for salmon abundance and a poor year for most seafood prices caused by COVID-19-related closures of restaurants, a key sales channel for Alaska seafood.

Table 9. Kenai Commercial Seafood/Fisheries Indicators, 2017 – 2020

	2017	2018	2019	2020
Estimated Seafood Landings in Kenai (\$millions)	\$31.7	\$17.4	\$20.0	\$6.5
Estimated Seafood Landings in Kenai by volume (millions of pounds)	31.9	17.2	23.8	8.2
Active Kenai Commercial Fishing Permit Holders*	152	136	139	129

Source: National Marine Fisheries Service, Alaska Commercial Fisheries Entry Commission.

*This row denotes Kenai residents who owned and used commercial fishing permits anywhere in Alaska each year. It does not include crew members or commercial fishermen from other locations who fished in the Kenai area.

Note: Kenai landings data combines landings from Kenai, Kasilof, Nikiski and Soldotna.

SEAFOOD PROCESSING

Kenai is home to three main seafood processing plants, all owned by Pacific Star Seafoods, Inc. Pacific Star operates two plants on Bridge Access Road on the north bank of the Kenai River (within the waterfront study area) as well as the former Inlet Fish Producers (North Pacific Seafoods) plant on the south side of the river.

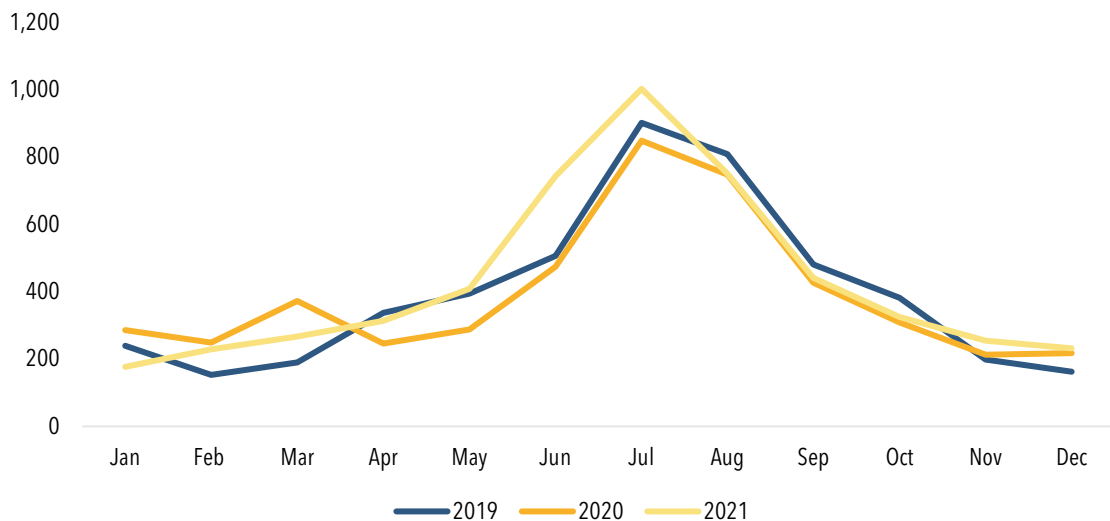


Photo credit: Peninsula Clarion

The food processing employment numbers shown below are for the entire Kenai Peninsula, which encompasses communities with seafood processing plants in addition to Kenai including Seward and Homer. Specific seafood processing employment numbers are not available, but almost all food processing in the borough is seafood processing.

Kenai Peninsula plants mainly process salmon, resulting in peak employment levels during the summer salmon runs; the plants also process groundfish and crab caught in Cook Inlet and the Gulf of Alaska outside the summer months.

Figure 9. Monthly Food Processing Employment, Kenai Peninsula Borough, 2019 - 2021



Source: Alaska Department of Labor and Workforce Development, Quarterly Census of Employment and Wages, 2019 - 2021.

Personal Use



Photo credit: The Alaska Star

The Kenai River personal use dipnet fishery brings tens of thousands of fishermen to the mouth of the Kenai River each summer. The fishery is open only to Alaska residents and is used heavily by residents of nearby population centers of Anchorage and the Matanuska-Susitna Borough.

The fishery opens July 10th (if there are no closures caused by low fish abundance) and runs through the end of July. Participants catch mostly sockeye salmon, but also smaller numbers of other salmon species.

Permits are issued at the household level rather than for individuals, so the 20,000 permits fished in recent years represents a significantly larger number of individual participants.

Table 10. Salmon Fishery Permits Returned (Used), Cook Inlet Personal Use Fisheries, 2017 - 2021

Year	Permits Returned (Used)
2017	22,316
2018	18,536
2019	19,671
2020	21,458
2021	22,444

Source: Alaska Department of Fish and Game, Cook Inlet Personal Use Fisheries, Salmon Fishery Harvest and Effort Estimates.

Catch counts for the Kenai River dip net fishery fluctuate annually. The 2018 harvest was particularly low, but subsequent harvests have been higher.

**Table 11. Catch Counts, Kenai River Dip Net Fishery, 2017 – 2021
(fish caught, all species)**

Year	Count of Fish Harvested
2017	307,824
2018	176,439
2019	337,735
2020	274,072
2021	332,659

Source: Alaska Department of Fish and Game, Cook Inlet Personal Use Fisheries, Salmon Fishery Harvest and Effort Estimates.

Although the Kenai River personal use fishery brings visitors and associated spending to Kenai, it has also contributed to social and environmental problems including “trespassing on private property, destruction of vegetated areas, fish waste on the beach, fire safety issues, and life safety issues.”⁹ In 2021, Kenai Police Department handled 105 dip net-related calls.¹⁰ The City of Kenai and other stakeholders are working to address these problems.

According to the City of Kenai Public Works Department, there were 2,873 boat launch and parking passes, 557 day use passes, and 26 drop off transactions at the City Dock Facility in 2021 – many of these transactions are directly associated with personal use fisheries. This activity generated \$106,066 in city revenue.¹¹



Sport Fishing

Kenai is an important location for sport fishing for both Alaska residents and non-resident visitors. Freshwater salmon fishing on the Kenai River is especially popular, although saltwater sport fishing also takes place.

⁹ Kenai Chamber of Commerce & Visitor Center. “Dip Netting”

¹⁰ <https://www.kenai.city/sites/default/files/fileattachments/dipnet/page/1481/dipnetreport2021.pdf> (Accessed 3/17/2022).

¹¹ <https://www.kenai.city/sites/default/files/fileattachments/dipnet/page/1481/dipnetreport2021.pdf> (Accessed 3/17/2022).

According to logbook data from 2014 (the last year freshwater logbook data was published) the lower Kenai River (between Cook Inlet and the Soldotna bridge) was one of the most heavily fished sections of fresh water in the state, with 12,875 angler days recorded (number of anglers times the number of days). This number includes only anglers who hired guides, which is not required to participate in rod-and-reel sport fishing. More than 16,000 angler days were recorded in upper sections of the Kenai River, according to logbook data from guided fishing trips. Most guided anglers were non-Alaska residents.¹²

In general, salmon is the most important freshwater species throughout the Kenai Peninsula. Salmon have made up over 95% of catch counts in freshwater Kenai Peninsula fishing areas for the last five years.

Table 12. Sport Fishing Catch, Kenai Peninsula, 2016 – 2020

Year	Total Catch Count	Percent Salmon
2016	478,480	95.0%
2017	442,275	96.1%
2018	341,106	96.4%
2019	664,327	96.2%
2020	397,548	95.4%

Source: Alaska Department of Fish and Game, Sport Fishing Survey, Kenai Peninsula.

Visitor Activities

As illustrated by personal use and sport fishing data, fishing is a significant draw for Alaska resident and non-resident visitors to Kenai. Personal use permit data provide a conservative estimate of the size of the Alaska resident visitor market to Kenai (22,444 fished permits in 2021).

In summer 2016, the last time the non-resident visitor market was measured, Kenai/Soldotna welcomed 127,000 non-resident visitors.¹³

The most popular visitor activities in the Kenai/Soldotna region were fishing, wildlife viewing, hiking, and nature walks. Over 30% of the region's 127,000 visitors participated in fishing, compared to 15% of all visitors to Southcentral Alaska.

¹² Alaska Department of Fish and Game. "[Participation, Effort, and Harvest in the Sport Fish Business/Guide Licensing and Logbook Programs, 2014.](#)" (Accessed 3/17/2022).

¹³ McDowell Group, Alaska Visitor Statistics Program, 2016.

Table 13. Top Visitor Activities, Kenai/Soldotna and Southcentral Alaska, 2016

Activity	Kenai/Soldotna	All Southcentral Alaska Visitors
Fishing	32%	15%
<i>Unguided</i>	19%	8%
<i>Guided</i>	15%	9%
Wildlife Viewing	24%	36%
Hiking/Nature Walk	13%	27%
Camping	5%	4%

Source: McDowell Group, Alaska Visitor Statistics Program, 2016.

Kenai/Soldotna visitors stay in Alaska longer, on average, compared to all Southcentral visitors. A higher percentage of visitors to Kenai/Soldotna also report staying with friends/family (31%) and at a campground/RV park (24%) compared to all regional visitors.

Table 14. Average Length of Stay and Lodging Types Used, Kenai/Soldotna and Southcentral Alaska, 2016

	Kenai/Soldotna Visitors	All Southcentral Alaska Visitors
Average length of stay in Alaska	12.6 days	10.8 days
Lodging Types Used		
Hotel/Motel	55%	63%
Friends/Family	31%	21%
Campground/RV	24%	10%
Lodge	21%	25%
Bed & Breakfast	11%	7%
Vacation Rental	11%	5%
Wilderness Camping	5%	3%
Cruise Ship	4%	36%
State Ferry	1%	1%

Source: McDowell Group, Alaska Visitor Statistics Program, 2016.

The Kenai Municipal Airport is considered the commercial air transportation gateway to the Kenai Peninsula and West Cook Inlet with both scheduled and charter passenger service for air cargo and general aviation. It also has commercial and industrial lease lots, a float plane basin, and a conference room in the terminal. In 2021, nearly 70,000 passengers arrived at the Kenai Municipal Airport. Passenger counts to the airport have not rebounded after the COVID-19 pandemic and are nearly 30,000 less than 2019 levels.

Table 15. Deplanement Counts, Kenai Municipal Airport, 2010 - 2021

Year	Passenger Deplanements	Year over Year Percent Change
2010	84,435	4.0%
2011	93,031	10.2%
2012	96,488	3.7%
2013	98,463	2.0%
2014	100,125	1.7%
2015	97,289	-2.8%
2016	92,374	-5.1%
2017	92,823	0.5%
2018	93,562	0.8%
2019	95,035	1.6%
2020	32,847	-65.4%
2021	67,873	106.6%

Source: US Bureau of Transportation Statistics, Passenger Counts, Kenai Municipal Airport.

Recreation

Recreation is an important aspect of Kenai resident quality of life and visitor activity. Below is a brief description of key recreational assets in Kenai.

- *Kenai Sports Complex:* This area contains 24 acres including a large gravel parking lot, access road, and four natural turf soccer fields. The fields are extensively used by two youth soccer programs.
- *Municipal Park:* This large community park is located next to the Kenai Scenic Bluff Lookout, which overlooks the lower Cook Inlet. A playground area, restrooms, two pavilions, and a large turf area are located at the north entrance to the park. Over a mile of walking trails meander through the park along with a basketball court, sanded volleyball court, and trail access to the Kenai Beach.
- *Kenai North and South Beach:* Both locations provide access to the beaches of Cook Inlet and mouth of the Kenai River, often used for walking, beach combing, kite flying, and fat tire biking. South Beach has a small parking area. A large parking area is provided on the North Beach. Permanent restrooms are available at both North and South Beach.
- *Ryan's Creek Trails (Kili Betnu):* This gravel trail follows a wooded stretch of Ryan's Creek, located in the heart of Kenai. There are multiple trailhead locations, each marked with sign and post. The 1.3-mile trail includes directional arrows, benches, and trash receptacles. The trail segment leading north from Airport Way to Marathon Road was

completed in 2014. This final segment will connect with Daubenspeck Family Park, a popular local park with water access, restrooms, BBQ grills, and shelters.

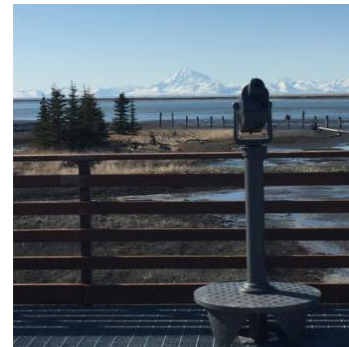
- *Kenai Municipal Park Trails and Meeks Trail:* Accessible from Municipal Park, this trail meanders through a natural forest. Remnants of underground cold storage pits and traditional Dena'ina house pits remain throughout the park. Continuing along Kenai Avenue leads you to the historic Meeks Trail (1.4 miles) and up the bluff to Old Town Kenai, offering excellent views of the Upper Cook Inlet and tidal zones of the Kenai River.
- *Kenai East End Trails:* Popular for biking, hiking, and cross-country skiing, a gravel trail (0.76 miles) winds through a wooded area and the 9-hole Kenai Eagle Disc Golf Course. These trails link to the 18-hole Kenai Golf Course where ski trails are maintained throughout the winter months.
- *Kenai Spur Highway:* Trails (8.4 miles) run parallel to the south and west of the Kenai Spur Highway; uses include bicycling, running, and Nordic skiing.

Other recreational assets include Cunningham Park access to the Kenai River, the softball green strip, Kenai Recreation Center, Kenai Little League Fields, Leif Hansen Memorial Park, Erik Hansen Scout Park, Tarbox Wildlife Viewing Platform, Skateboard Park, Peninsula Oilers baseball field, Challenger Center, and Millennium Square.

Visitor Attractions

Key Kenai visitor attractions include:

- *Kenai River Flats and Wildlife Viewing Area:* This a public viewing area overlooking the Kenai River tidal flood plains. Many different birds, such as snow geese and cranes, migrate here. Other wildlife is often spotted as well, including caribou, coyote, moose, and occasionally bear. During clear weather, the Aleutian Mountain range can be seen across Cook Inlet, including volcanoes such as Mt. Redoubt.
- *Kenai Scenic Bluff Overlook Park:* This open area is right on the bluff, overlooking the mouth of the Kenai River and lower Cook Inlet. There are multiple picnic tables and a birdcage-style gazebo, often used for events.
- *Kenai Visitor & Cultural Center:* The Kenai Visitor & Cultural Center is open year-round and offers visitor information and a gift shop. The Kenai Cultural Exhibit is a permanent collection of local historic and cultural artifacts, as well as wildlife displays.



- *Holy Assumption of the Virgin Mary Russian Orthodox Church*: Constructed in 1894, this building is one of the oldest standing Russian Orthodox churches in Alaska. A National Historic Landmark, the Russian Orthodox church still holds regular services.
- *Parish House Rectory*: Built in 1881, this building is believed to be the oldest building on the Kenai Peninsula and has continued to be used as a residence.
- *Fort Kenay*: This building was constructed in 1967 by the Bicentennial Commission to commemorate the purchase of Alaska in 1867. Fort Kenay is a replica of the original Russian Orthodox Church school built in 1900. It was built in the vicinity of the original Russian Redoubt Nikolaevsk (1791) and America's Fort Kenay (1869).
- *Kenai Cabin Park*: Built by a succession of settlers in the during the Early Community Era (1895-1925), these cabins preserve over 100 years of the community's recent history.

Conference and Meeting Spaces

Kenai has several facilities that host meetings and events. There are currently five facilities in Kenai that can seat more than 100 people banquet-style for a meeting or event. Five facilities can host receptions for 180 to about 400 people. Three have some breakout room capacity.

Table 16. Conference and Meeting Facilities, Kenai

Facility	Banquet Seating	Reception	Commercial Kitchen	Breakout Room Capacity
Old Carrs Mall in the Kenai Center	~350	400	No	No
Kenai Senior Center	200	200	Yes	No
Challenger Learning Center of Alaska	168	180	Yes	Lobby: 125 2 rooms: 75 1 room: 60 1 room: 35
Cannery Lodge	~150	~300	Yes	150/30/30
Kenai Visitors and Cultural Center	120	184	Warming kitchen	Board room: 16 Conference: 80
Quality Inn Kenai	53	53	No	No
Aspen Kenai Suites Hotel	12	12	No	No
Kenai Airport Terminal Meeting Room	26	26	No	No
Kenai Public Library	-	40	No	No

Source: McKinley Research Group.

Conference-quality rooms are defined as accommodations located relatively close to the meeting or conference venue, are large enough to allocate room blocks, and offer amenities that meet business travelers' expectations. Kenai has about 250 conference-quality rooms, including the five hotels located near downtown and the Cannery Lodge located across the river.

The newest hotel is the Kenai Aspen Suites hotel, which was constructed in 2008. The rooms at the Cannery Lodge were renovated in 2013.

Table 17. Conference-Quality Rooms, Kenai

Property	Number of Rooms
Kenai Aspen Suites Hotel	78
Kenai Airport Hotel	11
Main Street Hotel	32
Quality Inn Kenai	52
Uptown Motel	50
The Cannery Lodge	29
TOTAL	252

Source: McKinley Research Group.

Preferred Concept and Cost Estimate

Alternative Concepts

Three waterfront revitalization concepts (A-C) were initially developed, synthesizing public input on the project. Each of the three concepts were presented in a public forum. Concept C was selected through this public forum and in consultation with the City of Kenai as the base foundation for the Preferred Concept.

Alternative Concept A

Concept A expanded and enhanced the existing project area as a 'working waterfront' through the expansion and development of a marine service yard and boat storage area. The areas currently used by the two seafood plants were left unchanged, allowing for future growth and use. The existing RV Park would be improved, being expanded to include a campground setting, and moved from the waterfront to a location more inland to preserve the waterfront for public use. A large new "anchor" development is centralized along the waterfront at the site of the old cannery and provides a focal point along the river. This facility would house various commercial and retail shops within the refurbished (or replaced) cannery building. Adjacent to this development would be a community gathering or festival space along the waterfront that could host various outdoor events. A small park and playground would be associated with the festival space. Along the entire river from Pacific Star Seafoods to the south end of the project area, the River Walk follows the shore of the Kenai River as a pedestrian walk. The River Walk moves inland to bypass the seafood plants and connects to Scenic Bluff Overlook. A new trail connects the site to the golf course, schools, and residential neighborhoods to the north. The existing City Dock and Boat Launch remain, and trailer parking is relocated to the north to allow the natural revegetation of the southern portion of the trailer parking and create a transition to the adjacent natural wetlands. A small nature center is located at the south end of the trailer parking and is linked to the trails.

Figure 10. Alternative Concept A



Alternative Concept B

Concept B prioritizes the site for recreational use and includes a variety of trails and open spaces, a large campground, and day-use recreation facilities. A large portion of the site is returned to a natural state to complement the recreational uses. A centralized pavilion or shelter provides a community gathering space along the river's edge. A small retail area is located near the existing boat launch to provide support services to those using the site. The current City Dock and Boat Launch remain, and the trailer parking expands to the north. A small nature center is located near the existing nature boardwalk and overlook linked to the trails. Existing commercial development remains along Bridge Access Road and a new residential neighborhood is developed in the middle of the project area along Bridge Access Road. This residential

development is within a semi-rural environment with wooded lots, curved roadways, and single-family housing. The River Walk runs along the shoreline until it reaches Pacific Star Seafoods, where it turns inland to Bridge Access Road and the multi-use non-motorized route along the south side of the road. It then links to Scenic Bluff Overlook.

Figure 11. Alternative Concept B



Alternative Concept C

Concept C builds out the site through a variety of developments. The plan transitions from commercial development along Bridge Access Road, and, moving toward the river, to smaller commercial developments, boat condos, residential areas, and pedestrian-scaled mixed-use along the river. Buffers provide a transition between the different land uses. Access to the larger

commercial lots along Bridge Access Road is via a service road to limit access conflicts on and off Bridge Access Road. Moving toward the river, the development includes smaller lots and land uses with fewer impacts, providing economic opportunities and meeting housing needs. The housing consists of boat condos and higher density housing as condos or townhouses. A mixed-use development along the river includes smaller retail shops (restaurants, brewery, stores) and housing clustered around a waterfront plaza with a small-scale pedestrian focus. A sizeable civic center is found along the waterfront and adjacent to the mixed-use area. The civic center could include a visitors' center, restrooms, a ballroom (multi-use space), and perhaps a River Center that highlights the Kenai River. The civic center would include a park and open space around it. The existing City Dock and Boat Launch remain, and the trailer parking is expanded to the north with a small area of seasonal retail to support users of this area and several larger lots for marine-dependent commercial development. The River Walk runs along the shoreline until it reaches Pacific Star Seafoods, where it turns inland to Bridge Access Road and the multi-use non-motorized route along the south side of the road. It then links to Scenic Bluff Overlook.

Figure 12. Alternative Concept C



Preferred Concept

The Preferred Concept provides the greatest build-out, the most opportunities for economic development, and is believed to best meet community needs while preserving the waterfront for public use.

Commercial Development and Road Access

Larger 2- to 3-acre commercial lots are along Bridge Access Road, and access to these lots is by a service road which serves to reduce traffic impacts to Bridge Access Road and improve the intersection at Childs Street. All roadways within the project area are within a 60-foot-wide right-of-way to meet City design standards. Along the south side of the service road, smaller 1-acre commercial lots transition from the activity and larger scale development found along Bridge Access Road.

Boat Condominium

Mixed with the smaller scale commercial developments are boat condominiums, providing facilities for outdoor-minded Alaskans. These are typically two-story residential buildings with an oversized high-ceiling garage to accommodate the storage of larger boats, other motorized equipment, and gear. Above the garage is a roughly 1,200-square-foot condominium. These are in blocks of 5-6 units, with the residences above the taller garages providing views of the Kenai River and surrounding landscape.

Residential

Transitioning closer to the Kenai River, development focuses on residential units with fewer impacts on the waterfront. Housing would be in the form of 2- to 3-story condominiums or townhouses in blocks of 5- to 8-units. The lower floor at street level would be for a typical garage, with two levels of housing (about 1,200-1,800 square feet) above, providing outdoor patio space and views of the river and surrounding landscape. Access to this development is via the Childs Street extension.

Mixed Use

Along the waterfront, the development becomes predominately pedestrian-scale as a walking destination comprised of mixed land-use that includes the desired brewery, restaurants, and smaller retail shops such as cafes, food carts, gift stores and stalls, and art galleries. These are clustered around open space to include landscaping and create a pleasant shopping and dining destination year-round on the waterfront. Residential units are located above the retail shops and limited to one or two-story structures to maintain the pedestrian scale along the river and allow views from the housing to the north. Within this mixed-use development is a mid-sized

hotel (60 to 80 rooms) or similar, located to bring additional people to the waterfront and create an outstanding destination with the adjacent mixed-use area for both visitors and locals. Despite the primary pedestrian use, vehicle access is provided for deliveries and needed service from the Childs Street access road. At the end of the road adjacent to the hotel is a large parking area that provides access for those walking through the mixed-use neighborhood and the hotel.

Civic Center

Adjacent to the mixed-use development to the east is a new civic center. This 25,000-square-foot facility could include a visitors' center, restrooms, a ballroom (community multi-use space), and a River Center that highlights the history and importance of the Kenai River. Located on the old cannery site, it provides a centralized location and outstanding river views and beyond. Dedicated vehicle access to the civic center is via a new road and an improved intersection at Beaver Loop Road that may require a traffic light. A large parking lot supports the civic center and provides access for those who want to park and walk the mixed-use neighborhood. The civic center could be considered one of the catalyst properties for the redevelopment of the waterfront.

Recreation

Surrounding the civic center and creating an interface with the neighboring housing and mixed-use is parkland and open space that includes a destination playground and day-use recreation facilities (picnic shelters, BBQ, and trails) within a natural landscape. Trails link to the neighboring residential neighborhoods and destinations.

Community Gathering

On the waterfront, between the civic center and mixed-use area, is an ample multi-purpose community gathering space for festivals, farmer's markets, and other community events. A large outdoor pavilion or shelter supports the gathering space for hosting formal events. The gathering space becomes an extension of the neighboring civic center, with the civic center providing the needed support for outdoor events that will need restrooms and other facilities. The intent is that programming in this space and facilities in the adjacent parkland and playground can provide a family destination for locals, visitors, and family members of those visiting for fishing opportunities.

City Dock and Boat Launch

The existing City Dock and Boat Launch remain, and a portion of the trailer parking is relocated to the north to allow the natural revegetation of the southern part of the trailer parking and to create a transition to the adjacent natural state of the wetlands. The vehicular circulation of Boat Launch Road and the trailer parking remains as is.

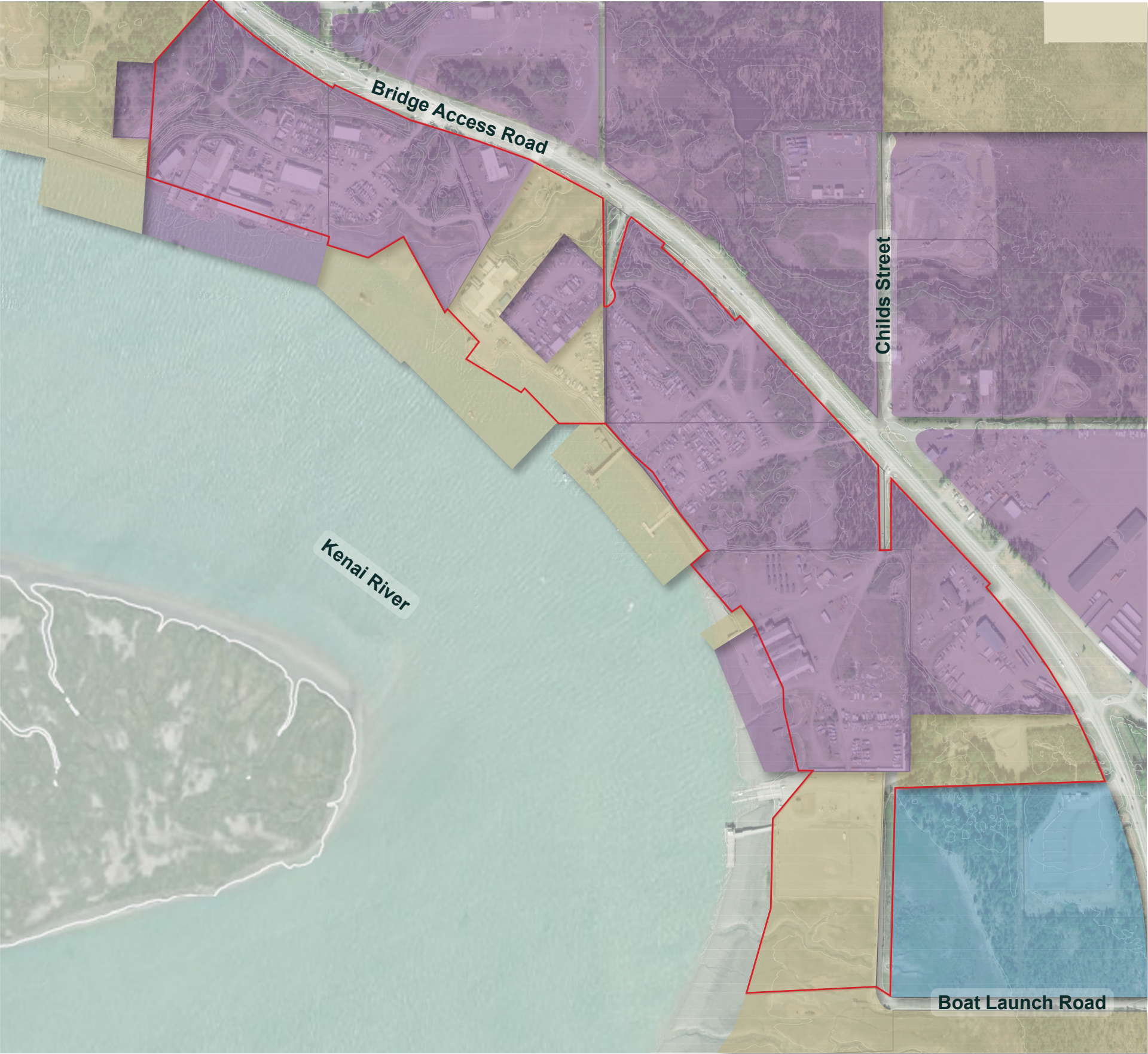
Nature Center

A small day-use recreation area and nature center are located at the south-end of the trailer parking and linked to the trails. The nature center would be a small 2,000-square foot facility for school children and visitors to understand the science and provide nature education about the wetlands and Kenai River. The small day-use area includes picnic shelters for those who use the launch facility.

River Walk

Linking waterfront elements is the River Walk, running from the south end of the project area near the nature center, to Scenic Bluff Overlook to the north. The River Walk would be pedestrian-oriented but allow occasional motorized use for service and emergency needs. The walk would be 12-16 feet wide and hard surfaced for year-round use, including skiing in winter. In some areas, the River Walk would be elevated boardwalks through wetlands, over drainages, and where slope stabilization may be environmentally or cost prohibitive. The River Walk follows the shoreline from the nature center and through the community gathering space and mixed-use development. The existing dock adjacent to the proposed hotel is less used and could be converted to a promenade, allowing pedestrian access onto and over the Kenai River. The dock promenade could include a shelter and allow viewing of wildlife and activity over the river. Just south of the existing Pacific Star Seafoods plant, the River Walk continues along the river's edge through the seafood plant property and connects to the estuary to the north.

River Walk development in front of the seafood plant would be an excellent opportunity to celebrate Kenai's working waterfront and provide opportunities for interpretation and interest to those on the River Walk. There are some safety concerns related to providing public access along the waterfront through an active seafood plant operation; however, other communities have worked with plant operators to make a route in a similar location successful. Should a waterfront route not be possible through the Pacific Star Seafoods, the path would follow the west side of the Childs Street extension and connect to a new multi-use non-motorized trail along the south side and/or north side of Bridge Access Road. The southern route would continue northwest along the road and includes a spur boardwalk route and overlook along the estuary scheduled for restoration. The spur trail provides opportunities to see salmon and other wildlife in a stream setting and would include interpretation. The River Walk continues along the south side of Bridge Access Road and enters the back and upper elevation of the seafood plant property, where limited activity is occurring. The River Walk continues up the slope to Scenic Bluff Overlook. It includes several overlooks with interpretation to describe the seafood plant operations and its history for those on the pedestrian route. The current design is underway for the bluff stabilization project and includes a lower river trail. The lower path would be linked to the River Walk.



LEGEND

- Project Limit
- City Land
- Private Land
- State Land

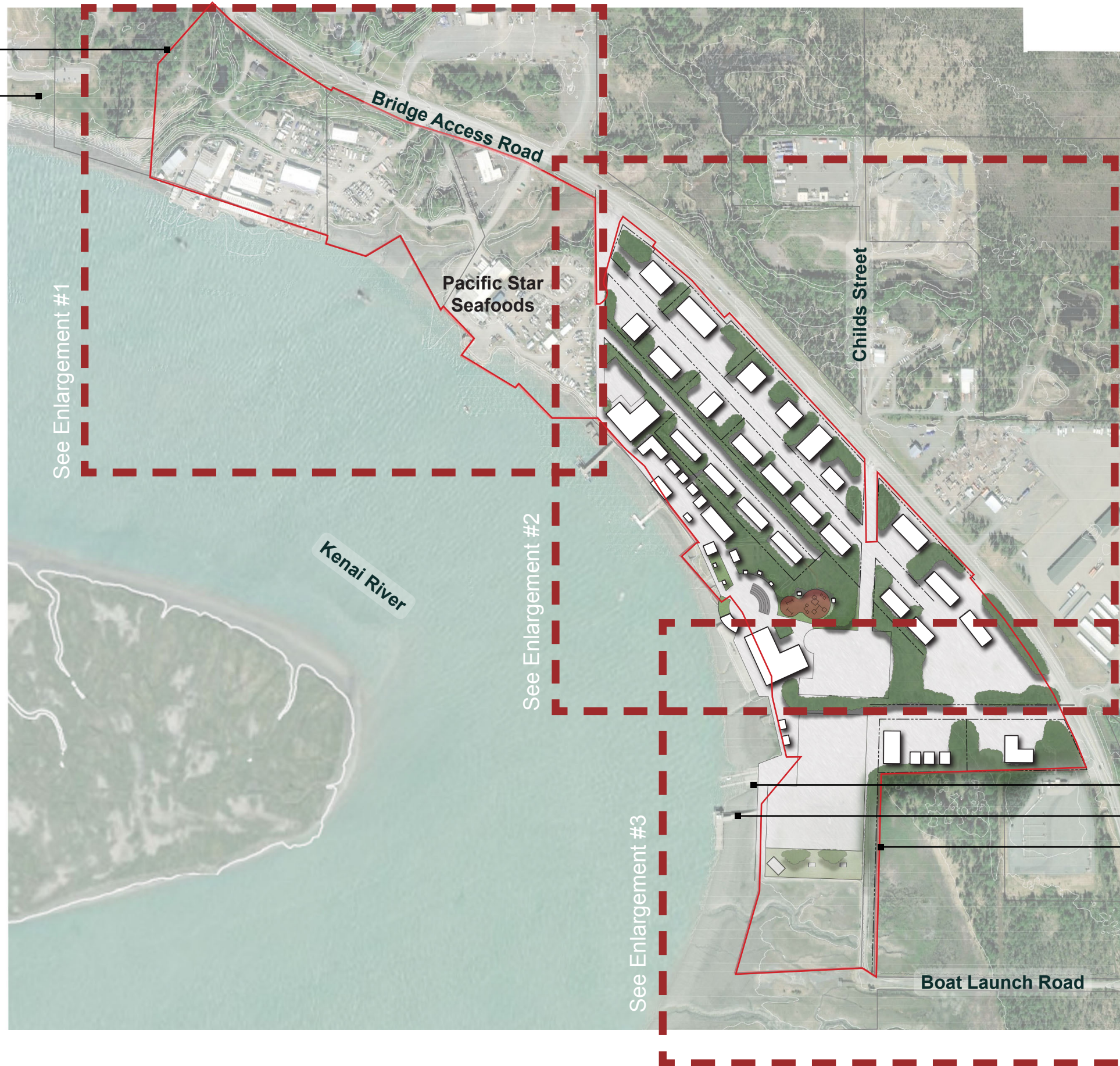
KENAI WATERFRONT REVITALIZATION

Vision Plan - Land Ownership

REV. 07/07/2022



Project Limit
Bluff Overlook Park

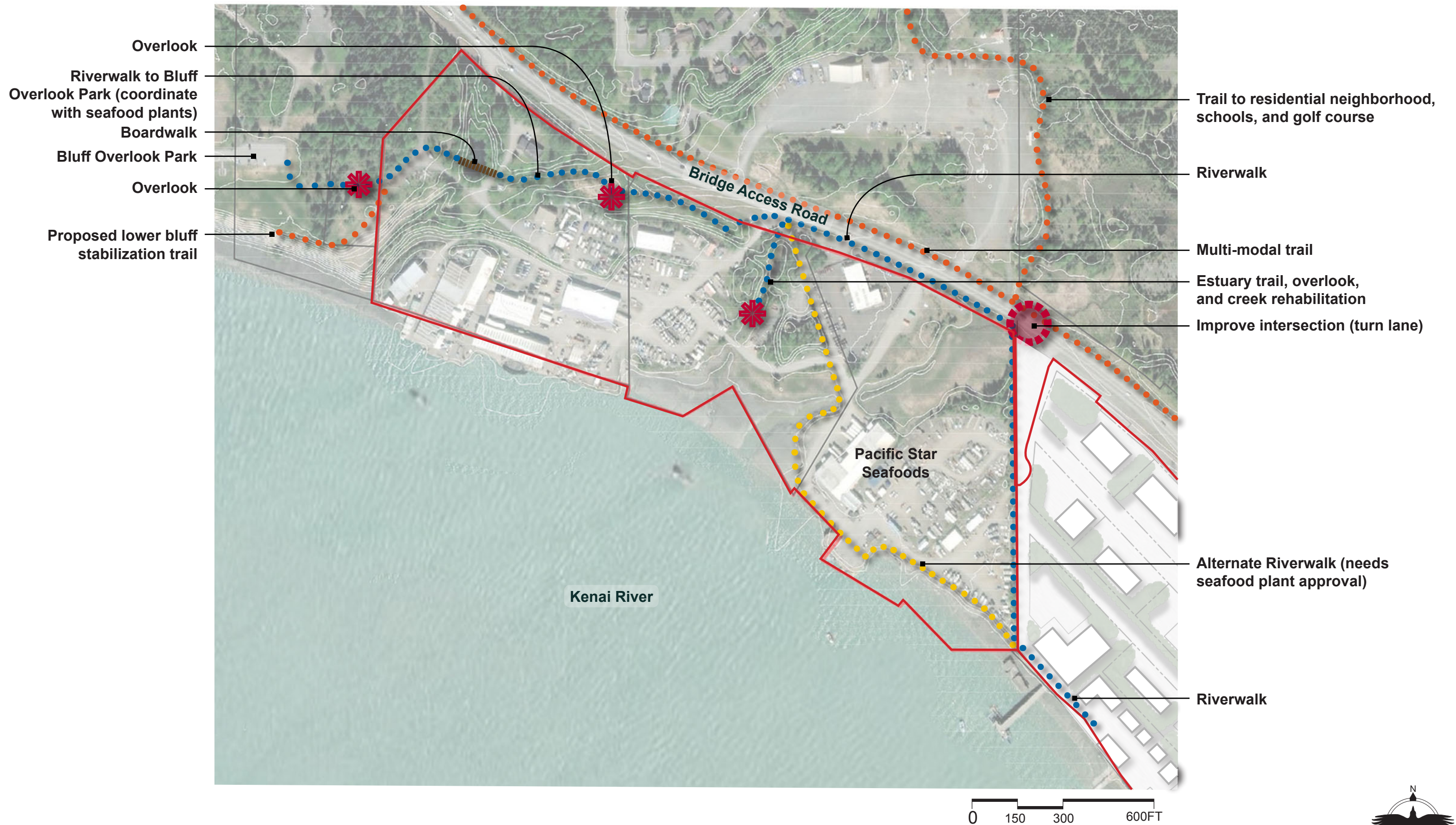


KENAI WATERFRONT REVITALIZATION

Vision Plan - Key Plan

REV. 07/07/2022



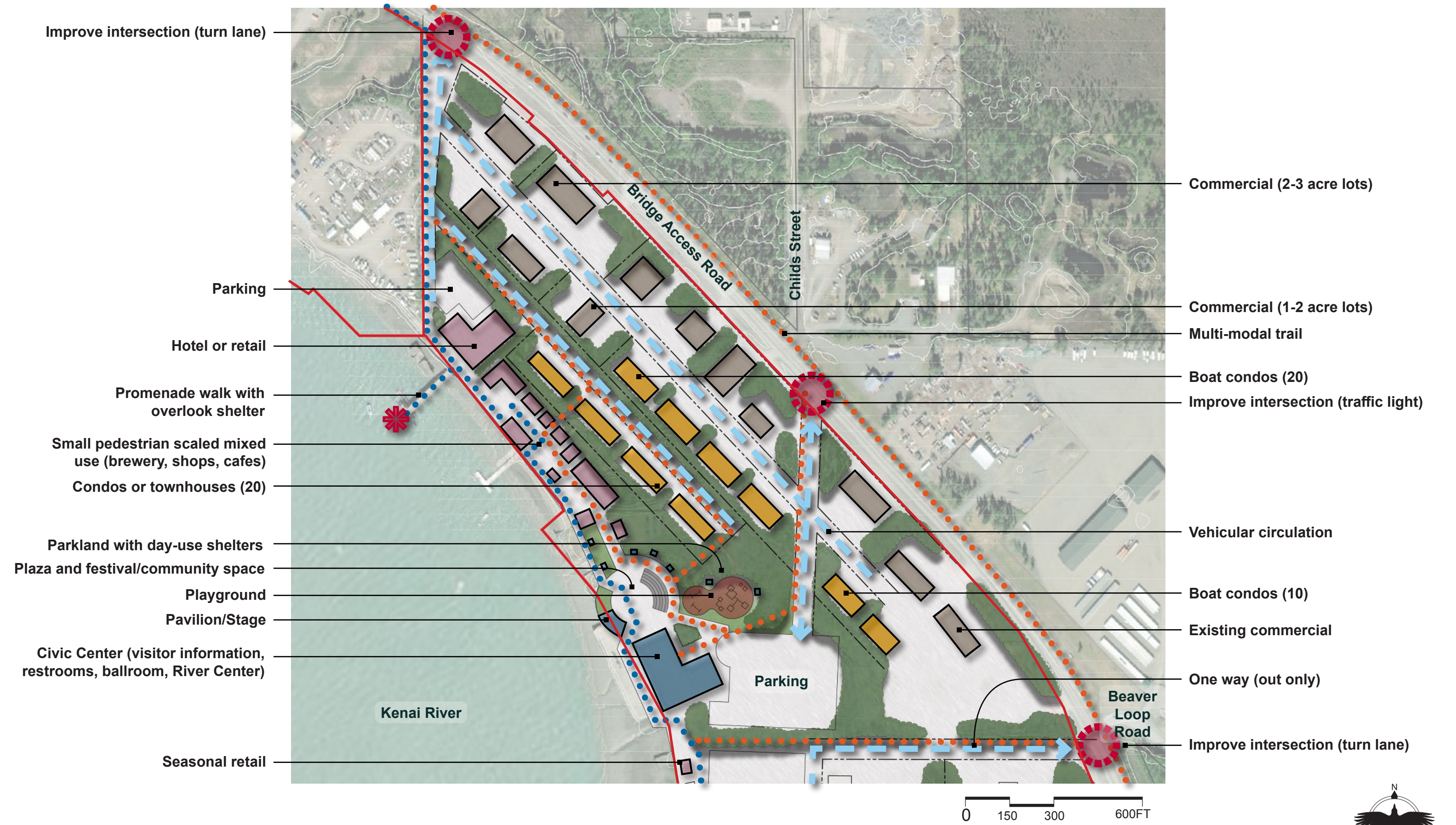


KENAI WATERFRONT REVITALIZATION

Vision Plan - Enlargement 1

REV. 07/07/2022

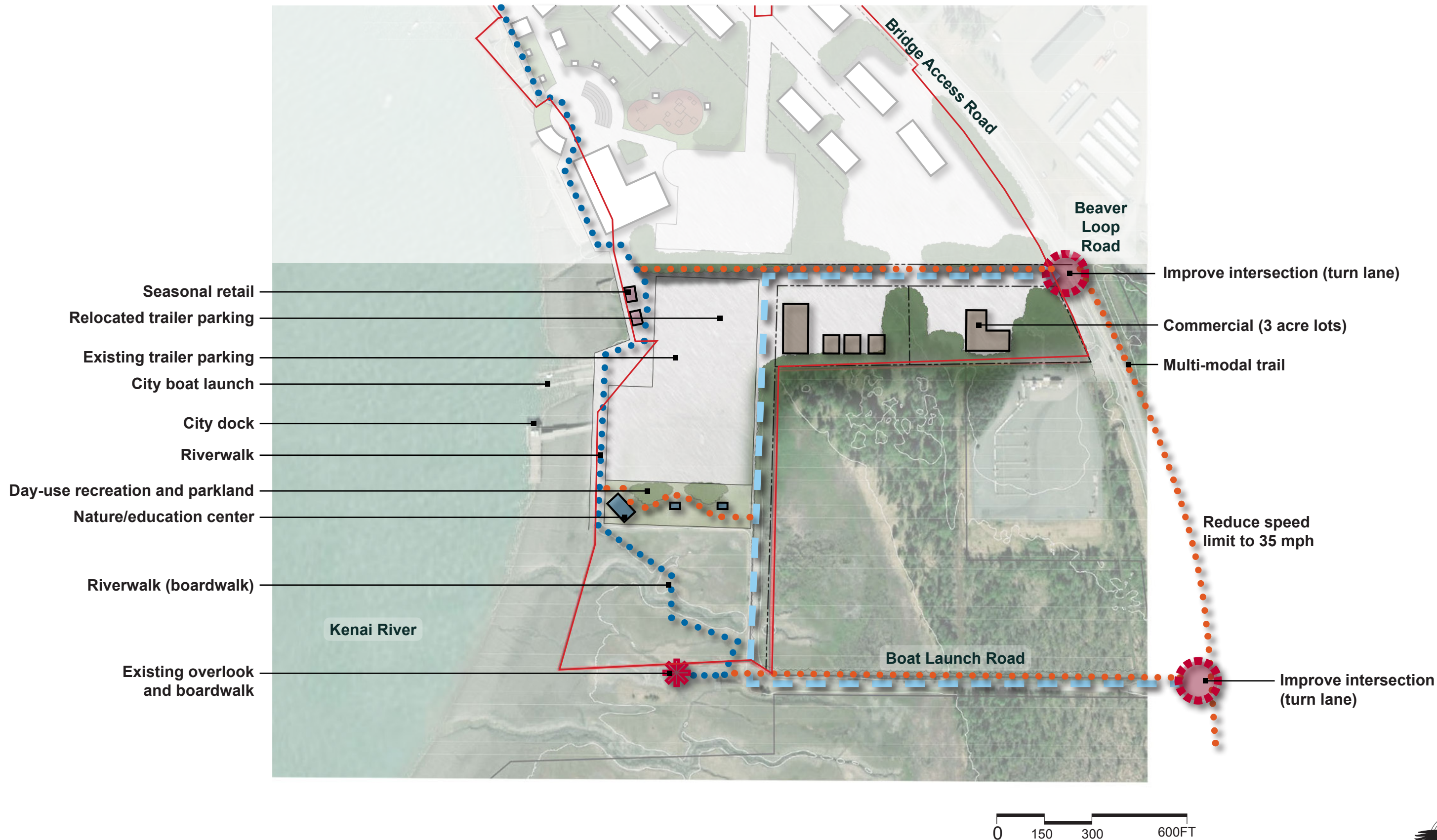




KENAI WATERFRONT REVITALIZATION

Vision Plan - Enlargement 2

REV. 07/07/2022



KENAI WATERFRONT REVITALIZATION

Vision Plan - Enlargement 3

REV. 07/07/2022





LEGEND

- Project Limit
- City Land
- Private Land
- State Land

KENAI WATERFRONT REVITALIZATION

Vision Plan & Land Ownership

REV. 07/07/2022



Preferred Concept Cost Estimates

Limitations

The Rough Order of Magnitude (ROM) cost estimate for the preferred concept includes site preparation and infrastructure development considered the responsibility of the City of Kenai, such as roads, public trails/boardwalk, utility extensions, parks and playgrounds, and public buildings and spaces. Construction of this infrastructure would help encourage private landowners to develop adjacent private land. The remainder of the development displayed in the Preferred Concept (e.g., commercial buildings, retail shops, hotels, or residential buildings) was not included in the cost estimate. The cost estimate was also generally limited to the study area. Trails to the golf course, tie-in to the lower bluff stabilization trail, and boardwalk into the wetlands at the south of the site were excluded. Likewise, the multi-modal trail along Bridge Access Road was not included in the estimate as it is assumed that project, being designed by the Alaska Department of Natural Resources, will be constructed by others at some point in the future. The alternative River Walk through Pacific Star Seafoods was also excluded from the estimate.

Cost Assumptions

Cost estimates were developed in accordance with the Association for the Advancement of Cost Engineering (AACE). The cost estimate is presented in current, Q2 2022 costs and does not include inflation or escalation. To account for non-construction related costs, such as preliminary investigations, engineering, construction administration, and permitting, unit costs were increased by 30%. In accordance with AACE recommendations, a 30% contingency was added to account for the conceptual level of design presented in the Preferred Concept. Additionally, due to the conceptual level of design and minimal scope definition, costs are presented in a range. That is, a minus 30% and plus 100% range.

In development of the cost estimate, it was assumed that some of the existing infrastructure will be in adequate condition for use in future development. This includes existing bulkheads along the waterfront as well as the existing dock that is converted into the promenade in the preferred concept. A structural assessment of the existing infrastructure would be required prior to use, and the cost of any required structural repairs or replacement was not included in the estimate. Additionally, costs for the remediation of contaminated or hazardous materials that may be present was not included in the estimate.

The riverbank, within the study area, consists of both active erosion areas and areas protected from erosion (mostly by way of bulkheads and retaining walls). At the request of the City, erosion protection was added to the estimate. This cost would consist of armor rock revetment along exposed bank areas (those not already protected by retaining walls), and outside the vicinity of

the seafood plant. It was assumed that the armor rock size and vertical extent would match that of the 65% plans for the Kenai Bluffs Stabilization Project, located just downstream of the study area. Additional analysis should be conducted to size and design the revetment specifically for this location.

Table 18. Cost Estimates, Rough Order of Magnitude, Kenai Waterfront Revitalization

Cost Item	Quantity and Unit	Construction Unit Cost	Project Unit Cost	Total Cost
Paved Pedestrian Path (6 feet wide)	6,000 LF	\$170	\$221	\$1,326,000
Widened Pedestrian Path/Road, Paved (9 feet wide to allow for emergency vehicle traffic)	1,000 LF	\$255	\$332	\$332,000
Boardwalk (6 feet wide)	1,100 LF	\$750	\$975	\$1,073,000
New Roads (2-way)	6,000 LF	\$690	\$897	\$5,382,000
New Parking Lots (Near park & expanded trailer parking near boat launch)	250,000 SF	\$30	\$39	\$9,750,000
Playground	1 LS	\$1,000,000	\$1,300,000	\$1,300,000
Park Pavilion/Plaza	1 LS	\$1,000,000	\$1,300,000	\$1,300,000
Day-Use Shelters	10 each	\$85,000	\$110,500	\$1,105,000
Parkland	1 LS	\$1,000,000	\$1,300,000	\$1,300,000
Promenade (existing dock improvements for pedestrian promenade (i.e., railing))	1 LS	\$210,000	\$273,000	\$273,000
Turning Lanes (intersection improvements on Bridge Access with added turning lane)	3 each	\$60,000	\$78,000	\$234,000
Intersection (intersection improvements on Bridge Access with added turning lane and signal)	1 each	\$1,000,000	\$1,300,000	\$1,300,000
Water Line Extension (includes hydrants at 500 feet on center)	6,000 LF	\$260	\$338	\$2,028,000
Sewer Line Extension (includes sewer manholes at 300 feet on center and at all bends)	6,000 LF	\$270	\$351	\$2,106,000
Storm Sewer (includes storm sewer manholes at 200 feet on center and at all bends)	6,000 LF	\$270	\$351	\$2,106,000
Lift Stations – Sewage (assumes (2) manholes per each, power, pumps and controls)	2 each	\$300,000	\$390,000	\$780,000
Buried Electric Extensions (includes junctions and transformers per developed parcel; there are fewer parcels, but could be subdivided in future)	20 each	\$7,500	\$9,750	\$195,000
Gas Line Service	6,000 LF	\$30	\$39	\$234,000
Shoreline Protection (includes riprap bank stabilization from boat launch north to existing stabilization; no riprap required at sheetpile wall in front of civic center; assume about 15' high Class III riprap)	2,000 LF	\$625	\$813	\$1,625,000

Cost Item	Quantity and Unit	Construction Unit Cost	Project Unit Cost	Total Cost
Civic Center (i.e., visitor center/museum/multipurpose community building)	25,000 SF	\$600	\$780	\$19,500,000
Nature Center	3,000 SF	\$300	\$390	\$1,170,000
Structure Demolition	46,000 SF	\$35	\$46	\$2,093,000
Clearing and Grubbing	6 acres	\$20,000	\$26,000	\$156,000
<i>Contingency (30%)</i>				<i>\$17,100,400</i>
Rough Order of Magnitude Project Cost Total				\$73,668,400
Cost Range (based on accuracy of design)			Low (-30%)	\$51,567,880
			High (+100%)	\$147,336,800

Source: PND Engineers estimates.

Note: Project Unit Cost includes 30% for engineering, permitting, construction administration, and project management. Cost estimate based on conceptual level of design. SF=square feet. LF=linear feet. LS=lump sum.

Funding Strategy

As envisioned in the Kenai Waterfront Revitalization Preferred Concept, funding support may be public or privately sourced. Typically, infrastructure that can be used by all public members is funded through public sources; however, depending on the infrastructure, a public-private partnership and social investment (i.e., foundations) may be considered.

Public Funding

There are a wide variety of public funding sources for infrastructure development, including commonly used traditional methods and alternative financing options. A brief description of these is found below.

Traditional Methods

As described in the table on the next page, local governments often rely on two traditional methods of financing infrastructure:

- **Cash and other current assets:** This form is often used when capital project sizes are small and local governments are closely approaching their debt limits, or there are prohibitions on use of debt.
- **Debt financing:** This form includes issuing long-term debt in the form of general obligation bonds or revenue bonds to fund capital projects. Some infrastructure projects involve large or lump-style investments and benefit both current taxpayers and future generations -- spreading out the costs of public infrastructure investments throughout life of the asset.¹⁴

¹⁴ For more information in infrastructure financing, the International City/County Management Association published, *Infrastructure Financing: A Guide for Local Government Managers*, 2017. <https://digitalcommons.unomaha.edu/pubadfacpub/77/> (Accessed June 15, 2022).

Table 19. Traditional Methods of Local Infrastructure Financing

Type	Description	Relevant Examples
Cash and Other Current Assets		
Tax Revenue	Commonly used to fund local infrastructure projects that yield community-wide benefits such as parks and recreation. Taxes may be general taxes (i.e., sales tax, property tax) or more narrowly based taxes either in their general fund or in special funds and dedicate these revenues to fund local infrastructure. The key advantage of earmarking special tax revenues is protecting local infrastructure projects from competition from other uses of these funds.	Property taxes, sales taxes, bed taxes
User Charges	Imposed on local residents and businesses for their use of utilities and other public enterprises, including water charges, sewer charges, parking fees, among others. Infrastructure projects such as those related to water, wastewater, parking facilities, and convention centers are sometimes funded by user charges through an enterprise fund.	Boat launch fees, parking fees
Local Government Capital Reserves and Fund Balances	Can be designated to pay for recurring and small capital projects, and capital asset replacement funding for the future replacement of government buildings, equipment, facilities, vehicles, and certain other assets.	
Federal and State Grants	Represent a major funding source of local infrastructure financing. A variety of federal grant and state-funded grant programs are available for helping fund streets, water supply and wastewater utilities, parks and recreation, and many other local infrastructure needs.	US DOT RAISE Grant Program USDA Rural Community Facilities Direct Loan & Grant Program US EDA Public Works and Economic Adjustment Assistance Program ADFG Boating and Angler Access Grant Program
Debt Financing		
General Obligation Bonds (GO)	Long-term obligations of local governments to repay bonds from their general tax revenues. GO bonds are traditionally issued to finance projects that do not generate revenues. City of Kenai GO bonds are subject to constitutional debt limits and require voter approval.	
Revenue Bonds	Typically issued to finance public facilities that have definable users with specific revenue streams, such as utilities. Revenue bonds are secured by the pledge of defined revenue sources generated from the bond funded projects (i.e., user fees, facility rent). City of Kenai has constitutional debt limits and require voter approval, with one exception (utility development when revenue bonds can be issued to pay the cost of a facility to be used by 10 customers or less for the purpose of promoting economic development). These might be used for private activity bonds or leasing bonds.	Alaska Municipal Bond Bank Authority General Obligation and Revenue Bonds City of Kenai General Obligation and Revenue Bonds

Alternative Infrastructure Financing

Alternative infrastructure financing supplements traditional infrastructure funding involving new funding, financing mechanism, and financial arrangement strategies.

NEW FUNDING

Special Assessment Districts (SADS) are formed to include a geographic area in which property owners or businesses agree to pay a special property tax assessment to fund a proposed improvement or service from which they expect to benefit directly. Strengths of SADS include matching payments with benefits to a designated area and voter approval is not required.

Tax Increment Financing (TIF) is used to finance a wide array of infrastructure development projects, such as sidewalks and sewer extensions. This mechanism captures newly created or incremental taxes from revenue produced through redevelopment of underused and vacant properties (under a TIF district); these taxes are used to pay the debts incurred for redevelopment infrastructure improvements. Often tax revenues are collected for a designated period (e.g., 15 or 30 years) and go to pay debt service on the TIF financing and not the local government taxing jurisdictions. At the end of the TIF period, tax revenues return to the local government. Local governments use TIFs as an incentive to develop identified areas and can attract private sector investment what would not necessarily occur without this public subsidy. TIFs can be significantly risky if the property value gains fall below expectations, and the costs can spill over outside the TIF areas.

NEW FINANCIAL ARRANGEMENTS

Public-Private Partnerships (P3s) are contractual arrangements in which governments form partnerships with the private sector to design, finance, build, and operate and/or maintain infrastructure. Many different types of P3s exist because each of the five elements of development (design, finance, build, operate, and maintain) can be combined. For instance, in a design-build-operate-maintain (DBOM) arrangement, contracted private entities are responsible for project design, construction, operation and maintenance of the infrastructure project. Public agencies oversee financing and theoretically pass all the risks related to operating costs and project revenues to the private partner. Public agencies still retain the ownership of privately built projects. P3s are attractive because they shift project finance risks and long-term operations and maintenance responsibilities to the private sector while leveraging private capital and private sector expertise. They also avoid more debt issuance and preserve bond capacity.

Private and Nonprofit Philanthropic Partners can invest in planning for, building, or operating local infrastructure. In addition, foundations can sometimes make program-related investments to support their philanthropic mission and leverage their donations. While the funding support

can attract new investors from philanthropic partners, funding can be limited and subject to donor requirements and control.

There are several federal and private foundation grant and finance programs that may provide support for public infrastructure development on Kenai’s waterfront. Each funding type can be used for different types of infrastructure as seen in the following matrix (see the next page). More detailed descriptions of specific funding and grant programs can be found in Appendix B.

Figure 19. City of Kenai Infrastructure Development Funding Options

Cost Item	AMBBA Bonds	Kenai CIP	SOA CIP	U.S. DOT RAISE Grants	USDA Rural Loans & Grants	U.S. Public Works & Econ. Asst.	SOA Boating & Angler Access	USACE Civil Works	Clean Vessel Act	Rasmuson Foundation	Private Partnership Investment
Paved Pedestrian Paths											
Boardwalk											
New Roads											
New Parking Lots											
Playground											
Park Pavilion/Plaza											
Day-Use Shelters											
Parkland											
Promenade											
Turning Lanes											
Intersection											
Water Line Extension											
Sewer Line Extension											
Storm Sewer											
Lift Stations – Sewage											
Buried Electric Extensions											
Gas Line Service											
Shoreline Protection											
Civic Center											
Nature Center											
Structure Demolition											
Clearing and Grubbing											

Attracting Private Investment

The vision of the Kenai Waterfront Revitalization includes features that would be supported through private investment, such as residential development (i.e., housing, boat condominiums) and commercial development (i.e., hotel, small businesses). The following sections describe concepts that may be used by the City of Kenai to incentivize private investment in the Kenai Waterfront Revitalization area.

Rezoning

Currently the waterfront study area is zoned as heavy industrial, yet the Preferred Concept considers other uses. To create clarity on community vision for redevelopment of the waterfront, the City of Kenai may consider creating a new zone designation for the study area. This zone could be labeled “Working Waterfront” which supports activities that range from seafood processing, housing, commercial, and open space that derive an economic or social benefit from a waterfront location. These uses would relate with commercial/economic enterprises, tourism, or recreation. Land would continue to be reserved to meet current and future use for seafood processing, recreational boating, and other water-dependent activities. Park space, pedestrian connections, and public recreational space would be encouraged in the working waterfront.

Placemaking and Branding

The Kenai River’s significance is historical, cultural, environmental, recreational, industrial, and economic. These attributes can contribute to a strong branding identity for businesses, as well as for residents and visitors.

The concept of placemaking goes beyond simply naming the Kenai Waterfront area, it is also about forging an identity and creating a sense of place, purpose, and community. The placemaking approach inspires the community and developers to reimagine and reinvent public spaces. Developing a brand narrative for Kenai Waterfront can help build awareness of the location, as well as attract new tenants and investors. This placemaking identity can be incorporated into signage, promotional materials, and even infrastructure design.

Tax Incentives

Tax incentives have been a major policy tool to spur economic development and business opportunity. Eligibility for tax incentives can also be geographically limited to stimulate production in specific parts of town (i.e., Kenai Waterfront).

Tax abatements reduce the total amount of taxes owed, generally for a fixed period, and are one of the most popular tools used by local governments to reduce financial barriers facing businesses wanting to invest in commercial (i.e., hotels), or residential (i.e., boat condominiums) development. When used as an incentive to stimulate new development, owners typically receive a discount on their tax bill for the duration of the abatement. The discount may be all or part of a particular taxing jurisdiction's share of total property tax revenue. An abatement could be used to spur rehabilitation, with the tax reduction size based on the scale of the development.

Tax exemptions adjust the value of the property subject to taxation; the resulting assessed value is then used to calculate the total amount of tax owed. For example, local governments wishing to stimulate new development or redevelopment on vacant lots or in a depressed area can exempt the value of any improvements on the lot (such as a new building) for a defined period when calculating property tax liability. Currently, the City of Kenai does not offer tax exemptions, but it is a tool the City can explore.

Utility Special Assessment District (USAD) is a process used to finance the extension of public utility lines of service which are regulated by the Regulatory Commission of Alaska. Applications and processes for **SAD** designation can be found in Chapter 16.05 of the City of Kenai Municipal Code. The City of Kenai could provide financing for installation of infrastructure for streets, roads, street lighting, curbs, gutters, driveways, and sidewalks; storm sewers, drains, or settling basins; sanitary sewer systems, including mains, connections, and extensions; changes in channels of streams or watercourses; and water supply systems, including water mains, water distribution lines, water service connections, and fire hydrants.¹⁵

Land Swaps

Land swaps are another tool that can empower cities to trade municipally owned sites with privately owned sites for areas that may be slow-changing due to market inertia. Government entities can use land swaps to support development or redevelopment and qualitative transformation of places such as this once-flourishing industrial waterfront area whose allowable land uses no longer match the market. In a land swap scenario, the City of Kenai might negotiate with the owner of a site located within the target revitalization area to swap this site for the negotiated fair market value of a city site located elsewhere (perhaps even within the same area). This would be a one-time, negotiated transaction in which either (a) the existing owner does not want to sell the site but is open to a land swap for the negotiated fair market value of the existing site, or (b) the city does not want to or cannot afford (or legislatively is unable) to pay cash to the existing site owner for the value of the land. In some instances, a swap might be less costly for the City than having to come up with capital funds.

¹⁵ Chapter 16.05.020 City of Kenai Municipal Code.

According to Kenai Municipal Code 22.05.135, "The City...may lease, purchase or acquire an interest in real property needed for a public purpose on such terms and conditions as the Council shall determine. No purchase shall be made until a qualified independent appraiser has appraised the property and given the Council an opinion as to the fair market value of the land unless the Council, upon resolution so finding, determines that the best interest of the City will not be served by an appraisal."

Additionally, according to Kenai Municipal Code 22.05.110, "a) Whether land shall be acquired, retained, devoted, or dedicated to a public purpose shall be determined by ordinance...(b) Whether land previously dedicated to a public purpose should be dedicated to a different public purpose or should no longer be needed for public purpose shall be determined by the City Council by ordinance...."

Recommended Next Steps

Converting the vision for Kenai's waterfront revitalization into reality will require a multi-pronged effort to address the planning, financial, infrastructure, and marketing needs that will be required to attract public and private investment. If the City of Kenai proceeds with revitalization of the Kenai Waterfront, some immediate next steps should be considered.

Planning

This document captures the initial vision to support additional planning that will be required for redevelopment of the waterfront. The next logical step is to prepare a Waterfront Master Plan. The Waterfront Master Plan will support the Kenai Waterfront Revitalization vision and Preferred Concept, making the connection between buildings, social settings, and surrounding environments, and include more detailed analysis, recommendations, and proposals for rezoning (i.e., Working Waterfront), planning, rights-of-way, or easements.

Additionally, one of the catalyst components of the revitalization vision is a civic center. Prior to development, a Civic Center Market Assessment and Feasibility Analysis should be updated and include costs for acquiring land that is currently privately held; the analysis should also assess bulkheads and dock structure features adjacent to its proposed location.

Financial

This document has outlined several financial tools appropriate for public financing and attracting private investment. Given the extensive public input on the vision for revitalization, there is community interest in redevelopment of the waterfront area. Redevelopment will come with considerable costs that may be too great for the private sector to absorb based on the current market condition. To stimulate new infrastructure and commercial development the City of Kenai should use this as an opportunity to reexamine their fiscal incentives for economic and business development. These may include use of special assessment districts for utility or road development and tax abatements for private investment in new and redeveloped property.

Public Infrastructure

Developing and enhancing public infrastructure in the waterfront area will provide clear incentives for private developers and lay the groundwork for the amenities and access as

envisioned in this document. Based on the Preferred Concept, public infrastructure needs are as follows:

- Utility build-out, including water, sewer, electricity, natural gas, and communications infrastructure
- Roads and intersections bringing users into the site area and streets allowing traffic circulation within the waterfront area
- Attractions such as River Walk, civic center, park, nature center, or others that require public funding

The Preferred Concept includes public infrastructure located on lots currently held by private owners. Developing this public infrastructure will require coordination and collaboration with private owners within the waterfront area. In limited instances (i.e., civic center), public infrastructure called for by this document may be infeasible to construct on privately owned land and may require the City of Kenai to consider land purchase at market value or swap options. Some combination of the publicly funded attractions listed above will be necessary to attract users to the area for recreation, residential use, and commercial activity.

Marketing and Attraction Development

Developing the attractions listed in the section above will draw users to the waterfront area, creating a market to be served by private businesses. Private developers will absorb risk in redevelopment if there are strong market signals and levels of commitment by the City of Kenai to support implementation of the community's vision. Marketing the waterfront area, improving public infrastructure, and committing to financial incentives all send these signals of support. Further, branding and marketing campaigns that clearly identify the area to users will be an important aspect of place-making, attracting visitors, and serving residents with public amenities, residential development, and commercial development.

Appendix A: Community Vision Results

Exercise #1: SWOT Analysis

The first small group exercise was to discuss the strengths, opportunities, weaknesses, and threats (SWOT) related to the project and the site. The following matrix (see next page) summarizes community input given during the public work session and through the online survey.

STRENGTHS Existing Internal Advantages	WEAKNESSES Existing Internal Disadvantages	OPPORTUNITIES Potential External Improvement	THREATS Potential Negative Impacts
<ul style="list-style-type: none"> • Location and access to Kenai River • Fishing location • Views of volcanoes • Wildlife viewing (birds and whales) • Cultural and historic resources • Existing recreation facilities • Adjacent to City center and connectivity • Volume of visitors to area (economic opportunities) • Good commercial opportunities along Bridge Access Road 	<ul style="list-style-type: none"> • Sensitive habitat and permit restrictions • Underutilized site • Shore and bluff stabilization needed • Safety • High amount of land in private ownership • Tidal influence and shallow water depths • Lack of public access throughout site and challenging to access site • Aging and unused buildings/development • Bridge Access Road is too fast with high traffic volumes in summer • River access can be challenging (limited facilities and low tide) • Public has not fully bought into project • Maintenance will be high • Too far from City center • Improvements will be costly • Windy site • Lack of utilities on site 	<ul style="list-style-type: none"> • Expand recreation (RV's, campground, park, trails, and open space) • Education (river ecology, history, fishing, natural resources) • River boardwalk along length and connected to City center • New businesses and investments • Capitalize on tourism • City/private partnerships and incentives for development • Make waterfront public (boardwalk) with parks and trails • Offer social opportunities for residents • Make visually and financially attractive for new investment • New commercial and retail business in a neighborhood setting • Provide facilities for those that do not dipnet • Develop eco-tourism opportunities • New housing • Expand commercial fishing • Increase/upgrade facilities to support sport fishing • Increase sales tax revenue • 'Put Kenai on the map'- create an authentic destination for all, year round • Increase property values • Encourage and support longer stays (activities, hotels, restaurants) • Potential harbor development and improved river access • Allow transportation of cargo • Remote work opportunities • Repurpose empty buildings and under-developed land • Instill a sense of pride in community • Economic development opportunity • Private development • High end restaurant • Condominium development • Guided fishing • Event and community space • Habitat restoration 	<ul style="list-style-type: none"> • Private ownership of land • River and bluff erosion • Lack of public knowledge/awareness (and support) of project • Shallow water and need to dredge • Preserving a healthy river and its fish • Weather and winter • Sewer and water utility challenges • Lack of interest and financing • Not having a clear vision of project • Chance for failure • Other communities move faster and are more attractive to investment • Lack of private/public partnership follow through • Costs and funding • Supply chain issues and shortage in workforce=higher costs • Economic challenges locally and nationally • Adjacent traffic congestion • River congestion and dipnet traffic • Sport fish vs. commercial fishing • Tidal challenges (access and mudflats) • Not all property owners will support or have same vision • Bad press • No investors=no project • High management and maintenance costs • Permitting and EPA requirements (red tape) • Variability in fish returns • Lack of community buy-in • Close mindedness of community members • City dock improvements/needs • Funding and cost to taxpayers • Pollution • Loss of motivation over time • Decrease in user traffic in winter • Blocked views • Shift in economic priorities • Increase in visitor traffic

Exercise #2: Goal Development

The second small group exercise explored the desired waterfront experience, and the facilities and services needed. The exercise also explored the long-term vision/tagline for the project and asked for any key insights that were made during the exercise.

Desired Waterfront Experience

- Natural and river oriented
- Thriving
- Inspirational
- Relaxing
- Exciting
- Quiet
- Inviting
- In awe
- Walkable
- Enjoyable
- A true (authentic) Alaskan experience
- Enjoy awesome views (river and volcanoes)
- Provide postcard moments
- Allow to see Alaskans in action (working waterfront)
- Eating and socializing
- Shopping
- Local craft/art opportunities
- Highlight cannery row

KENAI WATERFRONT VISIONING
SMALL GROUP EXERCISE

1 OUR TEAM
Belugas

2 THE WATERFRONT EXPERIENCE

3 FACILITIES AND SERVICES

4 WHY, WHY, WHY?

5 FUTURE HEADLINE
CLARION
Your dream, our future

6 KEY VISIONING INSIGHTS

THANK YOU ALL FOR YOUR PARTICIPATION!

- Balance of commercial fishing and sport fishing
- Experience local history
- Sustainable development
- Beautification
- River preservation
- Continuity along waterfront
- Experience arts, music, and culture
- Vibrant mixed-use area
- A fun place to spend money and time
- Make it Kenai appropriate, not a carnival
- Usable for all
- Needs to fit in with river

Facilities and Services Needed

- River boardwalk
- Trails and pathways
- Restaurants and retail
- Dock and boat launch improvements
- Hotel
- Performance area (stage, pavilion)
- Park and open space (shelters, picnic, benches)
- Natural areas
- Improved river access
- Kenai marketplace
- High tower for exceptional views
- Faster internet
- Statues and artwork
- Lighting for year-round use
- Wind breaks
- RV park and campground
- Co-working space
- Dock for food and drink pick-up by boats
- Viewing platforms for wildlife and people watching
- Education center
- Defined roads and traffic patterns
- Interpretive signs
- Restrooms
- Utility extension and improvements
- Brew pub
- Parking
- Tackle and fishing support shops
- Oyster bar
- Banquet and convention center
- Walking tours
- Toboggan hill
- Rezone district from industrial
- Slim trash receptacles with windproof lids
- Walk and bike access
- Public bathroom access and lighting

Long Range Vision/Taglines

- Kenai Waterfront Voted Alaska's Greatest Gem.
- Turn Right to Kenai/Turn West at the Y.
- Kenai Named the Best Alaskan Community to Live In.
- Kenai Riverfront Comes to Life, Year-round.
- Kenai Celebrates Thriving Waterfront.

Visioning Insights

- Just do it...make it happen!
- Needs to be a well-planned, year-round attraction.
- Include private landowners in process.
- Include history and culture in project.
- Keep public involved.
- High quality amenities.
- Kenai needs something to get people to visit us year-round.



- The site is an amazing 'invisible' resource (invisible to the community).
- What to do with the kids during dip netting? Provide family/children attractions.
- Responsible river access-critical.
- Economic diversity needs to guide development.
- Public dock is underutilized.
- Community, City Council, and Department support is critical.
- Everyone wants success.
- Development will enhance quality of life in Kenai.

Exercise #3: Near-and Longer-Term Vision

To gather perspectives on near- and longer-term future visions, groups were asked the questions, *"What will the project look like in 5-7 years?"* and *"What will the project area look like in 25-30 years?"*

In 5-7 years, the waterfront will be...

- Starting to be walkable.
- Moving forward as planned.
- A great place to go for a nature walk.
- Open for business.
- Just completing the waters of US permits.
- Used by the public.
- More community developed using the vision of this group. Maybe tax incentives to help.
- With project design and search of funding and PPP negotiation.
- In the development stage.
- Have an anchor facility such as a park that will attract investors.
- Under construction.
- Finished design and environmental impact statement- ready to begin construction.
- The place to be!
- Amazing!
- Stabilized.
- A visitors' center for all Alaska.
- A tourist site extraordinaire.
- A developing and vibrant mixed-use development.
- Finished new anchor business.
- Attracting investment in construction and remodel of buildings.
- Building and conceptual plan.
- A booming center of commerce- the place to meet.
- Somewhat planned out and funding options are being pursued.



- Expensive and hard to get.
- Transforming and developing.
- Instafamous.
- Thriving!
- A year-round facility and experience.
- Have a waterfront boardwalk.
- Fighting with Corps of Engineers to get approval to proceed.
- Booming with lots of revenue.
- Small business and wildlife viewing, no more big box stores.
- I want a place to have a good dinner and feel like I'm getting away.
- Follow through with planned trail and resolve private access.
- Condominiums with walkable trails.
- Land developed for construction.

In 25 years, the waterfront will be...

- Complete growing and being renovated because revenue is great.
- A nightlife and shopping destination.
- Full of life and business.
- Thriving.
- A historic waterfront destination.
- The year-round destination on the peninsula.
- A commercial fishing economic center.
- Bustling for all to enjoy its scenic views by way of RV park, trails, boardwalk, and boat-ins for coffee while dip netting.
- A tourist attraction.
- Place for youth to play, great for seniors.
- Alaska's premier experience.
- Booming.
- Robust mix of business, tourism, and quality living.
- Developed as the community center for all to enjoy.
- Maxed out for space.
- A destination that is highly visited by tourists and locals.
- The city center and thriving.
- A park full of trees and customers.
- A vibrant community center that brings pride to Kenai.
- Restored and rehabilitated to functional recreation and public use facility.
- An economic and cultural driver on the peninsula.
- A vital part of the community that is well known.



- A destination.
- Thriving year round.
- Economically independent.
- All taken.
- A thriving center of Kenai, with restaurants, and the world-famous Kenai Market Boardwalk.
- Renovating and expanding - maybe.
- A destination for visitors year-round. Community with public space, housing, and retail.
- Crowded with families, laughter, and successful business.
- Established and vision of success.
- Thriving and still expanding.
- Shops, Restaurants, Businesses. No big box stores.
- Sustain the environment.
- Move all industrial use away, develop tourist/food/lodging/retail use.
- More infrastructure upkeep as needed.
- Community hub that supports locals and drives tourism.
- Large hotel with satellite businesses.

Exercise #4: No Matter What...

Groups were then asked to set some limits on their vision of waterfront revitalization by defining what needs to change and what cannot be changed.

No matter what, change...

- The functionality, aim, and purpose of portions of the property.
- The zoning to match the vision of the people.
- Access to amenities on the waterfront from boats.
- All but the dock.
- Need more development but continue asking for input from public.
- That we will not sell out for money.
- Must consider best management practices to maintain ecological sustainability.
- Has been good.
- Will happen.
- Highway frontage needs to be cleaned up!
- Has to happen to stay relevant.
- Public access.
- Upgrade basic systems and signage.
- The community access and engagement.
- What's going on right now!

- The lack of easy access to the river, especially at low tide.
- Lack of vision currently.
- Lack of access to city land.
- City dock!
- The fact that there are things to do in Kenai.
- The waterfront district by adding infrastructure and parks for all to enjoy.
- Our community sense of the area. It should be visible.
- All the rundown businesses. Road needs improvement.
- Healthy.
- Will happen so let's get in front.
- Needs to be positive for the citizens of Kenai.
- Will be inevitable.
- Is bound to come, so we can get involved and make sure it is sustainable for Alaskans.
- Will inspire the imagination, growth, ownership within our city.
- Access to the river.
- Lack of appeal.
- Industrial use and noise/environmental pollution.
- Priorities and follow through.
- Emptiness.
- Ugly Appearance.

No matter what, do NOT change...

- Views of river and mountains.
- The health of the Kenai River.
- The Kenai history.
- The rich history of the area.
- Our vision for our future.
- Nature's beauty.
- Healthy habitat.
- Public access.
- The opportunity to grow and improve access to the riverfront.
- The views available to the public.
- Functionality of the waterfront and its history.
- No comment- I like change and progress 😊.
- The part of the river that reflects fish, nature, and how we can experience.
- The small town feeling.
- The fishing and canneries.
- Existing cultural, historical, and natural qualities.
- Without thinking all the way through the end of possibilities.



- The ecology of the waterfront. Develop with sensitivity to the environment.
- The natural beauty.
- The views of the area. Get public buy in for any project that moves forward.
- The view!
- Growth.
- The ideals of good stewardship for our beautiful river.
- Kenai's heart, and don't chase off the caribou.
- Access for the people and commerce.
- Views open to the public.
- Subsistence.
- Historical commercial fishing and public access.
- Historic buildings.
- Public access.
- Good views.
- Nothing - change everything.
- Just change all of it.
- Wildlife viewing platform.
- Harbor access.
- Kenai docks and existing boat ramp.

Exercise #5: Great Idea

The last exercise of the vision work session asked groups, *"My great idea for this project is..."*

- A walkable waterfront community that has something to offer visitors and locals all year round. A Brewery!! Kenai can make it happen.
- Should have mixed use - need to take advantage of commerce/industry with access to the river and mix with tourism initiatives.
- Animal conservation center.
- Walking trails and boardwalk.
- Park.
- Boardwalk.
- Large building for year-round use.
- Multi-function center.
- Convention center. (3X)
- Music venue in the park.
- Public space for city.
- Centralized event location.
- Review city basic plan every ten years.
- Usable buildings.



- Should be usable year-round - continued community input because it won't be successful without it.
- Convention/banquet facility to put Kenai on the map.
- Tax incentives by the city, so private development can make it happen.
- To finally see Kenai as another wonder of the world; groups like this need to keep up the push!
- Anchor business to bring people to the area (figurative anchor, not literal).
- Water taxis to deliver on the river (pizza and coffee to your boat!).
- Mixed use for commercial and personal access.
- Theme is Kenai centered, unique to our city.
- Pikes Place type area. This can happen if city and public work together.
- Food with the view! Renewable income every year.
- Incorporate the history and culture of Kenai.
- Shuttle around city, or bike rentals with map of city.
- Kenai River boardwalk. From bird viewing platform to bluff erosion zone. A co-op between City and private landowners.
- Working with, not against, those currently using the space.
- For the winter, build a toboggan run as a family activity. Kind of like a water slide.
- A high tower with restaurant and viewing platform.
- The Kenai Revitalization project could develop a unique destination city. Using timber products from the area and incorporating the vision the Kenia's rich historic history.
- An RV park.
- A nice, modern restaurant.
- Tourist activity for Kenai, kayaking, and guided fishing.
- To have a comprehensive list and drawing of different development scenarios which can be interchanged in different areas along the waterfront to accommodate development as it happens.

Appendix B: Public Infrastructure Funding Sources

Traditional Financing

CASH AND OTHER CURRENT ASSETS

City of Kenai Capital Improvement Plan (CIP)

The City of Kenai has a variety of funding options available to support a capital improvement plan, including property tax revenues. A concept that has garnered attention in other areas - “value capture” - involves collecting additional revenue from those most benefiting from a development. The most common mechanism for “value capture” is a temporary property tax increase on the land value of lots adjacent to infrastructure development.

Alaska Department of Transportation and Public Facilities CIP

ADOT&PF CIP program works with three main streams of funding for transportation projects in the State of Alaska: federal highway funds, other federal funds, and state capital budget funds.¹⁶

US Department of Transportation Rebuilding American Infrastructure with Sustainability and Equity (RAISE) Grants

Formerly known as TIGER or BUILD grants, RAISE grants help fund surface transportation projects such as roads, bridges, transit, rail, port, or intermodal transportation. Half of available funds (\$500 Million of \$1 Billion in FY21) are designated for rural areas of the United States. There is no matching requirement for projects in rural areas. The minimum project award for rural areas is \$1 million, and the maximum is \$25 million. Selection criteria focus on “safety, economic competitiveness, quality of life, state of good repair, innovation and partnerships with a broad range of stakeholders.” Cost benefit analyses are welcomed, but not required; the DOT recognizes that these analyses are not always possible in the early feasibility stages of the planning process.¹⁷

US Department of Agriculture Rural Community Facilities Direct Loan & Grant Program

Funds may be used to purchase or construct various types of community facilities, including street improvements, community centers, museums, community gardens, and many other types

¹⁶ <http://www.dot.state.ak.us/stwdplng/cip/index.shtml>

¹⁷ <https://www.transportation.gov/RAISEgrants>

of facilities. Priority is given to communities with fewer than 5,500 residents and/or median household incomes below 80% of the state nonmetropolitan median household income. Loans, grants, and loan guarantees are available through this program. Applicants must be unable to finance the project from their own resources and/or through commercial credit at reasonable terms.¹⁸

US Economic Development Administration Public Works and Economic Adjustment Assistance Program

Grants of \$600,000 to \$3 million are provided under this grant program to “leverage regional assets to support the implementation of regional economic development strategies designed to create jobs, leverage private capital, encourage economic development, and strengthen America's ability to compete in the global marketplace.” Grant applications are accepted on a rolling basis.¹⁹

Alaska Department of Fish and Game Boating and Angler Access Grant Program

Funds for this program derive from federal excise taxes and import duties placed on recreational fishing and boating equipment and supplies – as set up by the Dingell-Johnson Act. This program will cover up to 75% of the cost of an eligible project and requires a 25% non-federal match. Funded projects must primarily benefit the recreational boating and sport fishing public (not primarily benefiting subsistence or commercial fishing users).²⁰

US Fish and Wildlife Services Clean Vessel Act Grant

Funds for this program derive from federal excise taxes and import duties placed on recreational fishing and boating equipment and supplies (Dingell-Johnson Act funds). Clean Vessel Act grants fund building, operating, and maintaining sewage pump out stations that benefit recreational boaters. Related educational programs also qualify. A 25% non-federal match is required.²¹

US Army Corps of Engineers Civil Works Program

USACE's civil works program supports selected projects from the planning and feasibility stages all the way through to construction.²²

¹⁸<https://www.rd.usda.gov/programs-services/community-facilities/community-facilities-direct-loan-grant-program>

¹⁹ <https://www.grants.gov/web/grants/view-opportunity.html?oppld=334743>

²⁰ <https://www.adfg.alaska.gov/index.cfm?adfg=fishingSportBoatingAnglerAccess.main>

²¹ <https://wsfrprograms.fws.gov/Subpages/GrantPrograms/CVA/CVA.htm>

²² <https://www.poa.usace.army.mil/Missions/Civil-Works-and-Planning/>

DEBT FINANCING

Alaska Municipal Bond Bank Authority General Obligation and Revenue Bonds

AMBBA can assist eligible Alaska borrowers with bond financing for capital improvements such as water and sewer systems, public buildings, and docks. General obligation bonds are backed by a city's taxing authority, such as a local property tax. Revenue bonds are backed by specified revenues from an income-producing project.²³

City of Kenai General Obligation and Revenue Bonds

The City of Kenai can issue general obligation and revenue bonds. There is a debt limit and voter approval is needed for general obligation bonds. Voter approval is also required for revenue bonds except for revenue-producing utilities and enterprises. Article 6-3 of Kenai's City Charter says

"The City shall have power to borrow money and to issue revenue bonds or other such evidences of indebtedness therefor, the principal and interest of which are payable solely out of, and the only security of which is, the revenues of revenue-producing utilities and enterprises; but only when authorized by the Council for the acquisition, construction, reconstruction, repair, improvement, extension, enlargement, and/or equipment of said utilities and enterprises, and ratified at an election by a majority of those qualified to vote and voting on the question. Revenue bonds issued to pay the cost of a facility to be used by ten (10) customers or less for the purpose of promoting economic development in and around the City, may be authorized by the Council without an election if the debt is payable solely by the users."

Article 6-1(b) limits the amount of debt to:

"Such outstanding general-obligation indebtedness of the City incurred for all purposes shall not at any time exceed twenty percent of the assessed value of all real and personal property in the City. In determining such debt limit of the City, any amounts on hand or on deposit for debt retirement, and any general-obligation indebtedness assumed by the State of Alaska, Kenai Peninsula Borough, or other municipality and any portion of reserve funds or accounts pledged to the payment of the principal amount of any outstanding general-obligation indebtedness shall be deducted from the amount of the outstanding indebtedness. This debt limit shall not apply to refunding indebtedness of the City."

The City's debt capacity for fiscal year 2023 is an estimated \$189.7 million.²⁴

²³ <https://treasury.dor.alaska.gov/ambba/>

²⁴ Per email correspondence with Terry Eubank, Finance Director, City of Kenai, July 19, 2022.

Alternative Financing

Private or Public/Private Partnership (PPP) Investment

Private enterprise can bring additional financial resources, different cost structures and cultures, and other resources to waterfront projects. Some of the most successful public/private projects in Alaska have been supported by the Alaska Industrial Development and Export Authority (AIDEA). PPPs can be supported by construction and services contracts, lease arrangements, concessions, joint ventures, or partial divestures.²⁵ The Kenai Municipal Code does not allow for speculation on City-owned lands. All leases, sales, and other disposals of City-owned land must meet the intent to “provide land policies and practices that encourage responsible growth and development to support a thriving business, residential, recreational and cultural community.” (Section 22.05.010)

US Department of Transportation Transportation Infrastructure Finance and Innovation Act (TIFIA) Rural Project Initiative

The goal of DOT’s Rural Project Initiative is to make TIFIA financing more accessible to small communities (<150,000 residents) to support projects between \$10 and \$100 million in cost. Eligible projects include pedestrian infrastructure, and roads connecting ports to the National Highway System (intermodal connectors), among other types of transportation infrastructure. Selected projects can access loans for up to 49% of project cost at fixed, low interest rates. Application and borrower fees can be covered as well.²⁶

Rasmuson Foundation Grants

This grant program is designed to support capital projects of “demonstrable strategic importance or innovative nature that address issues of broad community or statewide significance.” The Foundation specifies that they are rarely the largest or only contributor and generally expect the project have multiple other funding sources that demonstrate widespread community support. Two different grant programs (Tier 1 and Tier 2) are available, one for grants up to \$25,000 and the other for grants of more than \$25,000.²⁷

Alaska Department of Commerce, Community, and Economic Development Small Business Economic Development Loan Program

Loans through this program are to be used to start or expand businesses creating long-term employment, may not exceed \$300,000, and must be adequately secured. These loans are designed to step in or supplement in situations where private banks are not willing to fund an entire project.²⁸

²⁵ <http://www.aidea.org/Programs.aspx>

²⁶ <https://www.transportation.gov/buildamerica/financing/tifia/tifia-rural-project-initiative-rpi>

²⁷ <https://www.rasmuson.org/grants/>

²⁸ <https://www.commerce.alaska.gov/web/ded/FIN/LoanPrograms/SmallBusinessDevelopment.aspx>

McKINLEY RESEARCH GROUP, LLC

3800 Centerpoint Drive, Suite 1100 • Anchorage, AK 99503 • (907) 274-3200
801 West 10th Street, Suite 100B • Juneau, AK 99801 • (907) 586-6126

info@mckinleyresearch.com • mckinleyresearch.com