

Imagine Kenai 2030

City of Kenai Comprehensive Plan



July 2016





Dear Citizens of Kenai:

On behalf of the Council of the City of Kenai, I am pleased to present to you *Imagine Kenai 2030*, the 2016 update to the City of Kenai Comprehensive Plan. This plan will guide Kenai in future years as we strive to improve the quality of life, enhance the economic health of the community, and continue to provide critical public services.

During recent years, Kenai has seen many changes, including new retail outlets, improvements to water and sewer facilities, and an increase in resource development. The Comprehensive Plan provides a guide for future decisions that will help Kenai take advantage of future economic opportunities while maintaining the high standard of life that we enjoy.

I would like to thank everyone who contributed in the effort to update the 2030 *Imagine Kenai* Comprehensive Plan. Your input helped make the plan a relevant document that addresses current and future needs of our community.

As part of the 2016 update process, there were seven opportunities between March and June 2016 to review the plan elements and to provide input to be considered in the update. In addition, the 2016 update utilized the draft 2013 *Imagine Kenai, 2030* Comprehensive Plan as the basis for the update. This update utilized the vision and direction of community residents which is reflected in the goals and objectives including those carried forward from the draft 2013 plan. The plan also acknowledges and addresses the importance of maintain livable existing residential neighborhoods and vital commercial centers so that Kenai continues to be a great place to live, play, work and do business. Economic development and the implementation of business-friendly regulations and incentives have also been incorporated into the update to, create a stable, positive climate for private investment. The interest and involvement of our citizens in planning our future truly makes Kenai a rewarding place to live.

The plan is organized into six chapters. The first four chapters provide background information about comprehensive planning and the community. Chapter 5 provides the land use plan, and Chapter 6 outlines the goals, objectives and action items of the plan. The objectives and action items are included in a table format so that the implementation of the plan can be tracked in the future.

We look forward to working with agencies, organizations and Kenai citizens as we strive to make the Comprehensive Plan a living document that responds to change and takes advantage of new opportunities.

Pat Porter
Mayor of Kenai

Imagine Kenai 2030

City of Kenai Comprehensive Plan

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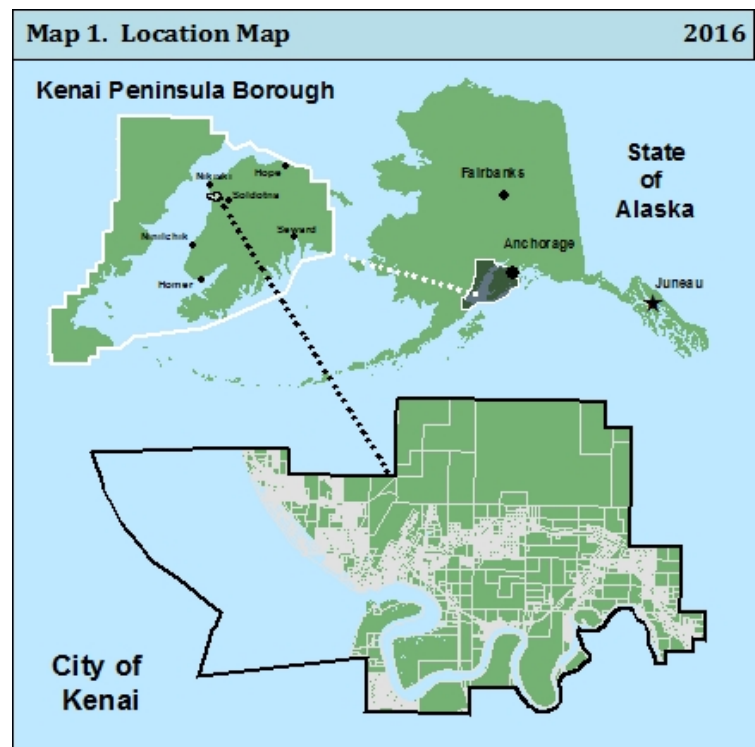
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Chapter 1: Introduction

The 2016 City of Kenai Comprehensive Plan (Plan) updates the City's 2003 Plan, includes revisions adopted from 2011-2013 and incorporates much of the information developed during the *Draft 2013 Your City, Your Plan* effort. The Plan guides development in the community and provides important information about the population, environment, economy, transportation, and land use.

The City of Kenai¹ is located within the Kenai Peninsula Borough on the west side of the Kenai Peninsula (Map 1). The City shares planning functions with the Kenai Peninsula Borough (Borough). While the Borough retains authority for ultimate planning powers, it has delegated authority to the City to adopt land use plan amendments and to enact and enforce zoning and land use regulations. Zoning involves designation of different types of land use districts that govern how land can be used. The Plan must be adopted by both the City of Kenai and the Borough. The Kenai Peninsula Borough retains platting authority and record keeping, which includes approval of plats that indicate the location, boundaries and ownership of properties.



The remainder of this introduction explains the purpose of comprehensive planning followed by a description of how the 2016 Comprehensive Plan is organized.

¹ Throughout the plan, the City of Kenai is referred to as Kenai or the City.

1.1 Purpose of Comprehensive Planning

The comprehensive plan serves several purposes.

Fulfills Legal Obligations. Alaskan communities must have an adopted comprehensive plan before they may adopt land use regulations such as a zoning ordinance. Increasingly, state and federal agencies require a plan as a condition of receiving grants.

Provides a Vision of the Future. The plan contains long-range goals, objectives, and policies that describe how, where, and in what manner physical development of the community will occur. The plan contains a map depicting intended land use by both type and location. The plan also links together physical development with considerations about social needs and economic development.

Serves as a Decision-Making Tool. The plan is a guide for decision-making by both appointed and elected officials.

Promotes and Supports Economic Development. The process for creating, adopting, and implementing the comprehensive plan allows Kenai residents and decision-makers to examine alternatives and choose courses of action that can promote employment and economic well-being.

Serves a Coordinating Function. The plan provides an opportunity to coordinate a wide range of municipal activities, such as land use, utilities, recreation, and transportation.

1.2 Goals of the Plan

This section presents the 8 general goals of the plan that have been carried forward from the Draft 2013 Plan. Chapter 6 includes the details on goals and objectives. Goals are broad statements of the City's long-term desired outcomes. Objectives are "operational" guidelines used to determine whether a proposed project or program advances community values expressed in the goals.

Goal 1 - Quality of Life:

Promote and encourage quality of life elements in Kenai.



Wild Flower Field

Goal 2 - Economic Development:

Provide economic development elements to support the fiscal health of the community.

Goal 3 - Land Use:

Use land use strategies to implement a forward-looking approach to community growth and development.

Goal 4 - Public Improvements and Services:

Provide adequate public improvements and services in Kenai.

Goal 5 – Transportation:

Provide transportation systems that are efficient and adequate to serve the regional needs of the community.

Goal 6 – Parks and Recreation:

Ensure that Kenai has excellent parks and recreational facilities and opportunities.

Goal 7 - Natural Hazards and Disasters:

Prepare and protect the citizens of Kenai from natural hazards and disasters.

Goal 8 – Environmental Resources:

Protect and enhance the natural resources and environment of the community.

Public participation in 2013 helped shape these original goals to reflect the vision and direction of the community's residents. Information from the 2013 plan process was reviewed and incorporated as appropriate in the 2016 update. Appendix A, includes the link to the City of Kenai Website which contains the draft 2013 City of Kenai Comprehensive Plan.

As part of the 2016 update process, there were multiple opportunities between March and June 2016 to review the goals as well as all the other plan elements and to provide input to be considered in the update. See Appendix B for the 2016 public outreach town hall meeting information.

1.3 How to Use this Plan

This plan provides a guide for implementation of the City of Kenai's planning and zoning responsibilities and its role in improving the quality of life for its citizens. Flexibility in implementation of the plan is necessary to take advantage of new opportunities and unforeseen circumstances. Plan implementation means to take action to realize the proposed planning goals and objectives. Implementation measures can range from revised city land ordinances and regulations to broad policy initiatives to capital improvements and upgraded city services.

The Plan is organized into six chapters.

- Chapters 1 – 4 provide introductory material and the context for the goals and objectives.
- Chapter 5 describes the land use classifications and includes the land use map.
- Chapter 6 describes the goals and objectives that form the basis for the land use plan and implementation.

The references at the end of the plan identify studies, reports and other sources of information, and the appendices provide useful additional information.

Kenai's Community Identity

The City of Kenai's name and City logo signify a unique and distinctive community with Dena'ina and Russian roots, world-class recreational fishing, offshore energy resources, and spectacular mountain vistas. Kenai earned status as an All-America City in 1992 and 2011.

Kenai's motto – "Village with a past – City with a future" – affirms the community's appreciation for its colorful history and its ambitions for tomorrow.



Chapter 2: City of Kenai – Mission, Powers, Identity

Kenai is located at the mouth of the Kenai River on the west side of the Kenai Peninsula. Kenai incorporated as a home rule city in 1960, and it became part of the Kenai Peninsula Borough when the Borough incorporated in 1964. The City of Kenai adopted the council-manager form of government in 1963 and has been operating under this form since that time. The Council sets the overall policy for the City. The City Manager provides day-to-day management. The Council, which consists of the Mayor and six council members, is elected at large and on a non-partisan basis. A Kenai Central High School student serves in an advisory capacity and casts an advisory vote.

City of Kenai Mission Statement

To serve the citizens of Kenai through listening and leading; to promote growth and continually improve services by balancing the wishes of the community with responsible management.

In addition to the City Manager's office, other departments include Finance, Legal, Clerk, Public Works, Airport, Police, Fire, Animal Control, Parks and Recreation, Library, Senior Services, and Planning. The remainder of this Chapter provides information on city powers, the Planning and Zoning Commission, and the context for planning.

2.1 Powers of the City

As a home-rule city, Kenai may exercise all legislative powers not prohibited by law or charter as provided by Title 29 of

the Alaska Statutes. Except as otherwise provided in the city's Charter, all powers of the City, including determination of all matters of policy, are vested in the City Council. The City of Kenai provides a variety of services to its residents, including road construction and maintenance, port and harbor facilities, police and fire protection, emergency medical services, water and sewer utilities, airport, parks and recreation, library, senior services, and animal control.



Kenai City Hall

As a second-class borough under Title 29 of the Alaska statutes, the Kenai Peninsula Borough provides for planning, platting, and land use regulation. Title 29 provides that the Borough may delegate any of its powers and duties to a city. In June 1984,² the Kenai Peninsula Borough delegated zoning powers to the City of Kenai and in May 1990,³ the Borough delegated authority to the City to enact land use plan amendments to the comprehensive plan.

With this delegation, the City of Kenai assumed the authority to enact and enforce zoning and land use regulations. The Borough must adopt the city's comprehensive plan and any major amendments to it. The Borough retains ultimate planning and platting authority (i.e., the approval of land subdivisions) after review and recommendation by the City of Kenai Planning and Zoning Commission.

2.2 Planning and Zoning Commission

Title 14 of the Kenai Municipal Code assigns several key planning functions to the 7-member Planning and Zoning Commission. Planning and Zoning Commission duties are to:

- Assist with preparation of, reviewing, and approving the City's comprehensive plan and other local plans; and,
- Interpret and administer the zoning and subdivision code, which includes the approval/disapproval of conditional use permit and variance applications.

The Commission advises the City Council on:

- Recommendations on plan adoption, plan amendments, and rezones to the City Council;
- Amendments to the Zoning Code and Map;
- Capital Improvement Plans;
- Petitions for lease or sale of city and airport land; and
- Propose plans for rehabilitation or redevelopment of areas within the city.

The Commission advises the Kenai Peninsula Borough Planning Commission on:

- City of Kenai Comprehensive Plan amendments;
- Proposed subdivision plats; and,
- Petitions for right-of-way and easement vacations.

City staff supports the Planning and Zoning Commission by providing services in the areas of planning, zoning, historic preservation, code enforcement, land management, and geographic information services (GIS). Staff also acts as liaison to the Planning and Zoning Commission.

² Kenai Peninsula Borough Ordinance 84-40.

³ Kenai Peninsula Borough Ordinance 90-31.

2.3 Context for Planning

The City of Kenai has a long history of planning its future development. The first Comprehensive Plan developed in 1962 has been updated or revised six times including the 2011-2013 revision. Table 1 lists each plan revision since 1962, including efforts that were not adopted.

Table 1: Previous Comprehensive Plans	
Year	Main Features of the Plan
1962	Kenai's first plan was prepared shortly after the City incorporated in 1960 with 778 residents. At that time, most development was clustered around Old Kenai. The oil and gas industry was in its infancy and optimism abounded. The City was growing rapidly, and population was forecast to reach 13,350 by 1980. The plan stressed land development and basic infrastructure and proposed Kenai's first planning ordinances.
1965	The transfer of the airport from the federal government to City ownership in 1963 prompted an update of the 1962 plan. The new plan proposed development of a major new public office and commercial district on surplus airport property in central Kenai, creation of a historic district for Old Kenai, a Kenai River bridge, a new regional jetport south of the river, and a Northwest Coastal Highway to a Turnagain Arm Crossing. This plan assumed a scaled-down forecast of 5,275 residents by 1980.
1980	Kenai saw several boom-bust cycles during the 1960s and 1970s. The 1980s plan was prepared after the Trans-Alaska Pipeline System (TAPS) construction boom and after several offshore oil and gas lease sales in Cook Inlet. It forecast 6,140 residents by 1990, plus another 4,530 persons if there were significant new oil and gas discoveries. In response to Kenai's sprawling growth, the plan emphasized central business district development and the emergence of distinctive residential neighborhoods. Reflecting the spirit of its time, this plan presupposed an activist city government and stressed environmental considerations.
1992 (rev 1996)	After the mid-1980s recession, Kenai geared down its growth and development expectations. This plan assumed a year 2000 population of 8,150 persons. Reviving the local economy was a major planning goal. Ambitious development projects gave way to incremental improvements to city infrastructure, better planning administration and management of the City's land base.
2003	The 2003 plan responded to a changing economy characterized by a period of slow growth, a diminishing role of commercial fisheries and a declining oil and gas industry. The plan included provisions to revitalize the city center and develop the Millennium Square property. The plan included an estimated growth rate of 25% by 2025.
2013	Draft Imagine Kenai 2030 prepared as an update to the 2003 plan. Plan included updated socioeconomic information, revised goals and objectives, and new land use recommendations. The plan was approved by the P&Z Commission and City council but was defeated by voters in a ballot measure in 2014.

The 2016 plan builds upon information gathered from previous planning efforts by the city and borough (Table 2). To the extent feasible and appropriate, the 2016 plan uses the relevant information from the 2013 draft plan and existing 2003 plan. A full citation for the plans listed in Table 2 can be found in the references section.

Table 2: Documents Related to the Comprehensive Plan

Planning Document	Year	Entity
Kenai Municipal Airport Master Plan	2016	City of Kenai & Airport Commission
Draft City of Kenai All Hazards Mitigation Plan	2016	City of Kenai
Draft Parks and Recreation Study	2011	City of Kenai
Draft City of Kenai Trails Plan	2011	City of Kenai, Casey Planning & Design
City of Kenai Annex to the Kenai Peninsula Borough Local All Hazard Mitigation Plan	2010	City of Kenai
Kenai Peninsula Borough Comprehensive Economic Development Strategy	2010	Kenai Peninsula Economic Development District
Kenai Peninsula Borough Coastal Management Plan*	2008	Kenai Peninsula Borough
Kenai Municipal Airport Supplemental Planning Assessment	2007	City of Kenai
Kenai Economic Development Strategy	2006	City of Kenai with AmeriCorps VISTA
Kenai Peninsula Borough Comprehensive Plan	2005	Kenai Peninsula Borough
Kenai Wastewater Facility Master Plan	2004	City of Kenai
Kenai Comprehensive Plan	2003	City of Kenai with Kevin Waring Associates
Kenai Peninsula Borough Transportation Plan	2003	HDR Alaska, Inc. in association with Kittelson & Associates
Kenai Area Plan	2001	Alaska Department of Natural Resources
Kenai Peninsula Borough Trail Plan	1998	Kenai Peninsula Borough
Kenai River Comprehensive Management Plan	1998	Alaska Department of Natural Resources
Kenai Municipal Airport Master Plan	1997	City of Kenai
Kenai Municipal Airport Master Plan Update **	2016	City of Kenai
City of Kenai All Hazard Mitigation Plan	2016	In-progress
Kenai Outdoor Opportunity Location Committee Feasibility Report	2016	City of Kenai

*The Alaska Coastal Management Plan terminated on July 1, 2011.

**An update of the Airport Master Plan began in 2011.

There are a number of social, economic and geographic characteristics that make the city a desirable place to live, work and play.

- The City of Kenai lies within a rich natural setting above the Kenai River overlooking Cook Inlet, with views of Redoubt and Iliamna volcanoes and the distant Chigmit Mountains.
- Physical development patterns are logical, given physical constraints such as undevelopable wetlands.
- A variety of land types is available for future growth.
- The local economy is diversified, there is a well-qualified work force, and wages are competitive.
- The city government is in excellent financial condition.
- Residents enjoy a choice of residential neighborhoods and lifestyles.
- Basic public facilities and services are in good condition and provided at levels acceptable to most residents.

A variety of world-class outdoor recreation opportunities are available to residents and visitors, including the Kenai River, Cook Inlet, State lands, and Kenai National Wildlife Refuge.

2.4 Kenai's Identity

The City of Kenai's name and City logo signify a unique and distinctive community with Dena'ina and Russian roots, world-class recreational fishing, offshore energy resource development, and spectacular mountain vistas. Kenai earned status as an All-America City in 1992 and 2011.



Kenai's motto – *"Village with a past – City with a future"* – affirms the community's appreciation for its colorful history and its ambitions for tomorrow.

As the City of Kenai has matured, its challenges have changed. In the 1960s, 1970s, and early 1980s, Kenai struggled to keep pace with headlong growth as it became the Kenai Peninsula's most populous city. The development priority then was to develop new subdivisions and basic infrastructure for new residents.

Today, more moderate growth of the population and economy provides an opportunity for the City to continue improving the quality of life for its citizens and a positive experience for its visitors. Following a national trend, the community's demographics have resulted in a decrease in students and an increase in the numbers of senior citizens. An increase in education attainment and reasonable wages make Kenai a desirable location for new businesses.

In recent years, the community has continued its role as a center for commerce with the addition of several large retail stores. While the local economy was affected by the closure of the Agrium fertilizer plant in 2008 and Lowes in 2011, the City is well-positioned to take advantage of new opportunities that arise from the significant increases in the estimated reserves for oil and gas in the region. As well, the City's location and services provide opportunities for growth as a center for the visitor industry.

Chapter 3: Kenai's Native Community

Alaska Natives have lived on the Kenai Peninsula long before written history. Today, Alaskan Native people continue to practice their rich cultural traditions and provide considerable economic and social benefits to the region. The federally-recognized Kenaitze and Salamatof tribes are governed by separate Tribal Councils, and both Tribes maintain offices in the City of Kenai. In addition to the Tribes, the Kenai Natives Association and the Salamatof Native Corporation, organized under the 1971 Alaska Native Claims Settlement Act (ANCSA), operate in the City.

Both the Salamatof and Kenaitze people are Dena'ina, a branch of Athabascan Indians that occupy Southcentral Alaska. Unlike other Athabascans, the Dena'ina traditionally lived close to marine waters, and their name for Cook Inlet is Tikahtnu ("Big Water River") or Nuti ("Saltwater"). The traditional language, also called Dena'ina, is one of eleven Athabascan languages in Alaska. Today the Kenaitze Tribe is undertaking efforts to revitalize the Dena'ina language.

Kenaitze Indian Tribe:

The Kenaitze Indian Tribe was federally recognized as a sovereign, independent nation in 1971 under the Indian Reorganization Act as amended for Alaska. Today, the tribe has more than 1,600 tribal members who live across the Kenai Peninsula and beyond. It is one of the largest employers in the region with approximately 300 full-time and part-time employees.



The tribe delivers a variety of programs and services that promote the wellness of its people as well as the broader community. In 2014, it opened the Dena'ina Wellness Center, a 52,000-square-foot fully integrated health care facility in Old Town Kenai. The tribe also operates a tribal court, early childhood center, Elders program, youth program, family and social services programs, and housing program, among others.

It's been thousands of years since the tribe's people, the Kahtnuht'ana Dena'ina, first inhabited the area. Today, the tribe's mission is to assure the Kahtnuht'ana Dena'ina thrive forever."

Salamatof Tribe:

The Salamatof Tribal Council maintains an office in Kenai. The Council represents the federally-recognized Salamatof Tribe. The unincorporated village of Salamatof is located just north of the City of Kenai.



Native Corporations: The Alaska Native Claims Settlement Act (ANCSA) of 1971 established regional and local Native Corporations which received entitlement to 44 million acres of land and \$963 million. The Cook Inlet Regional Corporation (CIRI) is one of the 12 land-based regional Native corporations established by ANCSA.⁴ CIRI has over 7,300 shareholders and has business operations and investments in energy and resource development, oilfield and construction services, environmental and remediation services, real estate, tourism, telecommunications, and private equity and venture capital investments. The Corporation manages land granted under ANCSA, and it retains subsurface rights for lands granted to local corporations in the region.

The Kenai Natives Association (KNA), designated as an urban Native corporation under ANCSA, had 560 members in February 2012. KNA received entitlement to 23,000 acres of land which included 4,000 acres of land at the former Wildwood Air Force Base and land within the Kenai National Wildlife Refuge. About 400 acres of land were sold to the State of Alaska in 1992 for the Wildwood Correctional Center. In the late 1990s, KNA received 5 acres in Old Town Kenai which was the site of the original headquarters for the Kenai National Moose Range.⁵ Also in the late 1990s, the Exxon Valdez Oil Spill Trustee Council purchased land along the Kenai River for protection, and the boundaries of the Kenai Wildlife Refuge were moved to exclude KNA lands.



Amendments to the refuge boundaries allowed KNA land to be developed. Today, KNA sells sand and gravel and manages its real estate.

⁴ A 13th corporation exists for Alaska Native people living outside of Alaska when ANCSA was passed.

⁵ The Kenai National Moose Range eventually became the Kenai National Wildlife Refuge.

The Salamatof Native Corporation is the village corporation for the Salamatof people established under ANCSA. The majority of shareholders of the corporation reside on the Kenai Peninsula including in the unincorporated village of Salamatof. The corporation received money under ANCSA but no land. Today, its business ventures consist of real estate and land development.

Native Allotments: The Alaska Native Allotment Act of 1906 provided Alaska Natives with the ability to obtain title of land up to 160 acres. There are a few Native allotments in the City of Kenai, and uses within these allotments are generally not subject to the City's land use regulations and zoning.

Chapter 4: Background Information

The information in this chapter provides background for the land use plan (Chapter 5) and the goals and objectives (Chapter 6). The chapter begins with a summary of the community's history and setting. It continues with information about socioeconomic conditions and city facilities and services. The chapter concludes with a forecast of future population and demands for housing and services.

4.1 Settlement History

Kenai's motto, "Village with a past, City with a future," reflects the link between the community's long and rich history and its opportunities for sustainable growth and development. Kenai's past has shaped its present. Its settlement history provides a strong cultural foundation and the physical pattern of growth that remains today.



Buildings at Historic Townsite from the Early Community Building Era

The Dena'ina people lived in the region long before the first Russian explorers arrived in Alaska in 1741. While they do not measure their history in years, the Dena'ina people say they have lived in the area since time immemorial, a period that is beyond the reach of memory or record.

Captain James Cook, one of most ambitious explorers of all time, sailed into what is now known as Cook Inlet in 1778 aboard the HMS Resolution, accompanied with the HMS Discovery in search of the fabled Northwest Passage. Cook preceded Russian explorers in upper Cook Inlet, and many current place names from his 1778 voyage remain in use today.

When the first Russians arrived, there was a thriving Dena'ina Athabascan Indian Village on the high bluff overlooking Cook Inlet near the mouth of the Kenai River. At that time, about 1,500 Dena'ina lived in the Kenai River drainage with several hundred in the village of Shk'ituk't on the bluff above the Kenai River mouth.

The local Dena'ina people originally called themselves Kahtnuht'ana - "People of the Kenai River" (Kahtnu). The Russians, however, called them Kenaitze from the Dena'ina stem "ken," which refers to flat land meaning the wave cut terrace Kenai is built on, and the Russian "-itze," which means "people of." So, Kenaitze means "people of the flat land."

The Dena'ina called the Russians "Tahdna" which means "underwater people" from the image of their ships coming up Cook Inlet which, viewed from afar, looked like the ship was emerging from underwater.

The Russians built Fort (Redoubt) St. Nicholas at Kenai in 1791, the fifth Russian post in Alaska. The fort was an outpost for trading fish and furs. The log walls and blockhouses were built by the Russians as part of Redoubt St. Nicholas. By the time British Explorer Captain George Vancouver visited in 1794, about 40 Russians occupied the outpost. The Russian Orthodox religion took root, and Kenai's oldest buildings are Orthodox-related: A log rectory (1886), the Holy Assumption of the Virgin Mary Russian Orthodox Church (1895), and the nearby log chapel (1906).

The United States established Fort Kenay in 1869 two years after the Alaska purchase. Most of the Russian buildings were in disrepair by the time the American Army took over, and the post was abandoned in 1871.

Commercial salmon canneries became a significant economic factor in the late 1800s. The first cannery at Kenai, the Northern Packing Company, was established in 1888. From then on at least one and often two or three canneries operated at the Kenai River mouth.

As the community evolved, residents constructed new infrastructure and adapted to a changing economy. A post office was established in 1899. During the 1920s, commercial fishing and fish processing became important local industries. Opportunities for homesteading in the 1940s led to further development. The first road connecting Anchorage and Kenai, opened in 1951, provided access that helped expand the community. The Wildwood Army Base, built north of Kenai in 1953, was later converted to an Air Force base. During the Cold War, it served as a communications and Russian surveillance base.

With Alaska's first major oil strike in 1957 at the nearby Swanson River, a new economy took root. The City of Kenai incorporated in 1960, and offshore oil was discovered in Cook Inlet in 1965. Today's economy reflects the importance of the fishing, oil and gas, tourism, and service industries.

4.2 Setting

Kenai is centrally located on the western Kenai Peninsula in Southcentral Alaska, about 65 air miles (160 miles by road) southwest of Anchorage and 1,350 miles northwest of Seattle. Kenai is as far west as Hawaii and about the same latitude as Oslo, Norway or Stockholm, Sweden.

The original community has expanded with commercial development along the Kenai Spur Highway and residential neighborhoods throughout the developable areas of the City.



Walking on the Beach

The city center is located about 11 miles west of Soldotna and the Sterling Highway, Kenai's overland link to Anchorage and Homer. Most persons and goods travel to and from Kenai over these two state-maintained highways. The Kenai Municipal Airport, the Kenai Peninsula's only major airport, provides regional passenger and air cargo service with connecting service through Anchorage to other cities in Alaska and beyond.

Kenai's scenic setting amid diverse natural resources is a pervasive part of local daily life and an important economic and recreational asset. The Kenai River is a world-famous sport fishing destination that is especially known for its king salmon and river recreation opportunities. The Kenai River estuary, wetlands, and nearby uplands provide vital habitat for diverse fish and wildlife. A number of rivers in the City support anadromous fish (Alaska Department of Fish and Game 2012).⁶ Cook Inlet also supports important recreational and commercial fisheries, abundant marine life, and important oil and gas resources. The nearby Kenai National Wildlife Refuge offers year-round recreational opportunities.

4.2.1 Climate and Environment

Kenai's northern climate is tempered by Cook Inlet to the west and the Kenai Mountain Range to the south and east. Summer temperatures typically range from 46 to 65 degrees Fahrenheit (°F), and winter temperatures from 4 to 22 °F. Average annual precipitation is 20 inches.

⁶ The Anadromous Fish Catalog may be viewed at the following website:
<http://www.adfg.alaska.gov/sf/SARR/AWC/index.cfm?adfg=maps.interactive>

A drying trend has accelerated since the 1970's resulting in some drying of wetlands and muskegs and the disappearance of kettle ponds and lower lake levels (U.S. Fish and Wildlife Service 2012a and 2012b). In addition, trees are now growing at higher altitudes.

4.2.2 Natural Hazards

Natural hazards are natural events that could cause injury, property damage, business disruption, or environmental impact. They can include geological and meteorological phenomena such as earthquakes, coastal erosion, and volcanic eruption. Biological hazards can refer to a diverse array of disease and infestation. Other natural hazards such as floods and wildfires can result from a combination of geological, hydrological, and climatic factors.

There are natural hazards that may affect the City of Kenai to various degrees. In 2010, the City of Kenai completed an Annex to the Kenai Peninsula Borough *Local All Hazard Mitigation Plan*. This plan was approved by the Federal Emergency Management Agency in 2011.⁷

In March-April 2016, the City of Kenai administration made revisions to the plan and submitted the updated version for review to the Planning & Zoning Commission and was approved by Resolution PZ16-06 on April 13, 2016.

The 2016 Kenai Peninsula Borough All-Hazard Mitigation Plan – Annex C (2016 KPBHMP-Annex C) describes risks of hazards, facilities vulnerable to a disaster and a mitigation strategy to reduce potential losses. Hazards with high risks include flooding, wildfire, earthquake, weather, and erosion. Hazards with medium risks include volcanoes, and hazards with low risks include tsunamis. The plan includes a vulnerability assessment for city facilities and infrastructure.

Table 3 lists whether or not the hazard is present in Kenai (identification) and gives a probability of occurrence (risk).

Kenai's high-risk hazards include:
Floods,
wildfire,
earthquakes,
weather, and
erosion.

Table 3: Hazard Identification & Risk Matrix

Flood	Wildland Fire	Earthquake	Volcano	Snow Avalanche	Tsunami & Seiche
Y/H	Y/H	Y/H	Y/M	N	Y/L
Weather	Landslide	Erosion	Drought	Technological	Economic
Y/H	N/L	Y/H	U/L	U/L	U/L

Hazard Identification:

Y: Hazard is present in jurisdiction but probability unknown

⁷ The Disaster Mitigation Act of 2000 requires local governments to adopt a hazard mitigation plans as a condition for receiving federal disaster mitigation funds including elevation, acquisition, and relocation of hazard threatened structures.

- N: Hazard is not present
U: Unknown if the hazard occurs in the jurisdiction
Risk:
L: Hazard is present with a low probability of occurrence
M: Hazard is present with a moderate probability of occurrence
H: Hazard is present with a high probability of occurrence

Flooding: Like other communities in the Kenai Peninsula Borough, the city is susceptible to different types of flood hazards. With about 2,840 acres of the Kenai River basin considered as floodplain, low lying areas within the City are susceptible to flood and erosion hazards.

Floodplain is defined by the Federal Emergency Management Agency (FEMA) as land adjacent to a lake, river, stream, estuary, or other water body that is subject to flooding.

There are parcels inside the city limits that have been designated by the FEMA Flood Insurance Rate Maps (FIRM) in zones A and V. FIRM refers to the official maps adopted by the FEMA on which the flood insurance administration has delineated both the areas of special flood hazard and the risk premium zones applicable to the community. The City does not regulate development in the floodplain and does not participate in the National Flood Insurance Program (NFIP).

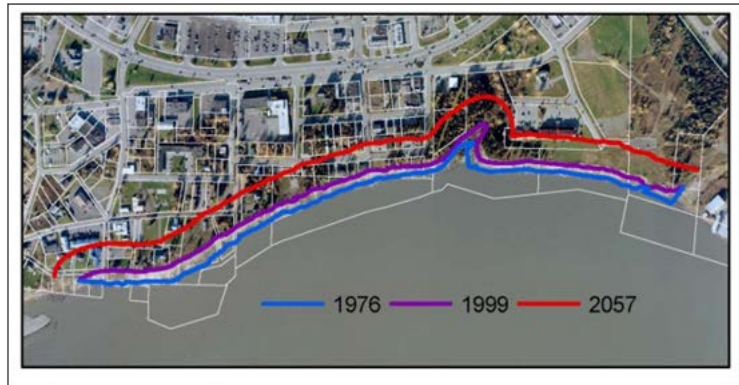
Lands inside the city are primarily located within the HMP North Zone and Central Zone. Critical areas and facilities susceptible to flooding in North Zone communities include docking facilities and bridges, such as the City Dock, the North Kenai refinery dock, private mooring facilities, and the Warren Ames Bridge (Kenai River Mile 5) and Swanson River Bridge (Mile 38.4 Kenai Spur Highway). There are a total of 296 (tax) parcels (approximately 4,011 acres) valued at over \$70million, which are within or intersect the lower 12.5 miles of the Kenai River's mapped 100-year floodplain located inside the city. The total assessed value of homes and other improvements on the 137 developed parcels is over \$33million (2016 KPBHMP-Annex C).

The City continues to cooperate with the KPB, landowners, and developers to enact and enforce a 50-foot setback of items on property adjacent to waterways. Kenai River Overlay mandates a 50 foot building setback from the mean high water line of the Kenai River. KPB regulations for development in this area meet the objective to minimize damage in the event of a flood.

Erosion: In addition to riverine flood hazards, property located adjacent to Cook Inlet is susceptible to erosion, high tides, and storm surge-wave run up. Riverine and coastal erosion occur in Kenai. Coastal erosion encompasses bluff and beach erosion while riverine erosion will be considered synonymous for stream erosion, stream bank erosion and riverbank erosion. The 2016 KPBHMP-Annex C discusses the differences between erosion and coastal erosion in more detail. Eroding bluffs along the Kenai River and Cook Inlet pose the greatest erosion risk to the community (City of Kenai 2010). Bluff erosion above the Kenai River threatens housing and facilities such as the Kenai Senior Center and Congregate Housing (Vintage Pointe Manor). These facilities and the Wastewater Treatment Plant are more vulnerable to erosion damage than the remainder of City facilities.

An average erosion rate of 3 feet per year has been estimated after comparing aerial photographs over a 50-year period. Figure 1 illustrates erosion rates as of 2011.

Figure 1: Past & Future Projected Erosion Rates



Source: U.S. Army Corps of Engineers 2011

After years of studies, the City of Kenai is planning a Bluff Stabilization Project that will stop the erosion process along the Kenai River in the downtown area. The US Army Corps of Engineers (Corps) is completing a multi-million-dollar study and the engineering for this project. The City of Kenai has received appropriations in the amount approximately \$4,000,000 from the State of Alaska for this project. On May 4th and 5th, 2016 the Corps held a two-day Planning Charrette to reevaluate the scope and costs of the proposed Kenai Bluffs Stabilization Section 116 Feasibility Study.

The City has appropriated \$585,000 thus far for the project in funding to the Corps to complete the study. It is anticipated that the Corps will finish the final feasibility study by August 2017.

Other forms of erosion such as natural bank erosion can be found in Kenai. Natural bank erosion along the Kenai River is aggravated by boat wakes. A 1997 study found that areas of the river without boat traffic resulted in about 75% less erosion than in areas of the river with high boat traffic (Dorava and Moore 1997). The Kenai Peninsula Borough Don E. Gilman River Center (River Center) houses multiple agencies that regulate activities and development in and along the Kenai River. Working together, these agencies have made great strides towards addressing erosion. Publications by the River Center provide guidance for addressing riverine erosion (Czarnecki and Yaeger 2007) and coastal erosion (Smith and Williams 2010). Plus, the 2008 Kenai Peninsula Borough Coastal Management Plan included designations for erosion-prone areas in the City of Kenai along the river (Kenai Peninsula Borough 2008a).

Coastal Storms: From the fall through the spring, low pressure systems either develop in the Bering Sea or Gulf of Alaska or are brought to the region by wind systems in the upper atmosphere that tend to steer storms in the north Pacific Ocean toward Alaska.

When these storms impact the coastal areas and shoreline, they often bring wide swathes of high winds and occasionally cause coastal flooding and erosion.

Fierce storm conditions do not have to be present to cause damage. According to the 2016 HMP, the City of Kenai community suffers from “Silent Storms” where high-water storm surges erode and undercut river and shoreline banks, melting the permafrost. This “wearing away” of land results in the loss of beach, shoreline, and dunes. Coastal erosion occurs over the area roughly from the top of the bluff out into the near-shore region to about the 30-foot water depth. It is measured as the rate of change in the position or horizontal displacement of a shoreline over a period of time. Bluff recession is the most visible aspect of coastal erosion because of the dramatic change it causes in the landscape. As a result, this aspect of coastal erosion usually receives the most attention.

Coastal erosion also may be from multi-year impacts and long-term climatic change such as sea-level rise, lack of sediment supply, subsidence or long-term human factors such as the construction of shore protection structures and dams or aquifer depletion. Attempts to control erosion through shoreline protective measures such as groins, jetties, seawalls, or revetments, can actually lead to increased erosion activity. These shoreline structures can eliminate the natural wave run-up and sand deposition processes and can increase reflected wave action and currents at the waterline. The increased wave action can cause localized scour both in front of and behind structures and prevent the settlement of suspended sediment.

Fortunately, in Alaska, erosion is hindered by bottomfast ice, which is present on much of the Arctic coastline during the winter. These areas are fairly vulnerable while the ice is forming. The winds from a fall storm can push sea ice into the shorefast ice, driving it onto the beach. The ice will then gouge the beach and cause other damage.

In 2009, the City of Kenai added permanent fencing to the north beach dunes to help ensure this natural barrier will adequately prevent bluff erosion. The fencing will help ensure that man-made destruction of vegetation does not compromise the integrity of the dunes. A similar fencing project was completed in the summer of 2010 on the south beach. The dunes were at risk of destruction from the annual personal use dipnet fishery if the fencing was not installed.

In 2014, a subdivision consisting of multiple phases and 48 lots at full build-out has recently been recorded within the City of Kenai. The subdivision is located along the bluffs has bluff-top lots which overlook the Cook Inlet. To further combat erosion the City of Kenai and the Kenai Peninsula Borough required the identification of a setback of 50 feet from the top of the slope for septic systems. This setback will help to ensure that effluent does not discharge into Cook Inlet in the event of further bluff erosion in this area.

Wildland Fires: Wildland fires pose a risk to the community, especially as a result of an increase in dead spruce trees resulting from the spruce bark beetle infestation (City of Kenai 2010, Parson et al. 2009). The City annually experiences small wildland fires throughout the summer months. The City of Kenai Fire Department and State Forestry responded to cooperatively responded to these fires. According to the 2016 HMP, all areas within the City of Kenai have equal risk of Wildland fires. The City maintains a defensible space around all City facilities as a preventative measure for wildland fires.

This risk has been greatly reduced by the City of Kenai's initiative to proactively pursue a fire mitigation plan that resulted in the clearing of dead and dying spruce from approximately 700 acres of public and private land. Funding for these projects was facilitated through the Kenai Peninsula Borough Spruce Bark Beetle Mitigation program. The Kenai Peninsula Borough and the City of Kenai worked cooperatively to identify high hazard areas. Local contractors provided hazard mitigation under the Borough funded program (which is no longer active). Logistically, the reduction in fuels within the City has enabled State Forestry resources to free themselves to patrol other nearby communities, and has reduced wildfire activity within the City.

The City in cooperation with the KPB and State Forestry continue to provide Firewise Communities educational material to homeowners to enable them to prepare their homes in the event of a wildfire. Damage from fallen trees during heavy wind storms has dropped drastically within the City. Homer Electric Association has attributed this reduction directly to the City's pro Firewise actions.

Historically significant fires within the City included the 1969 Swanson River Fire and the Swires Road fire in the mid1980's.

More recently, the Central Kenai Peninsula experienced significant wildfires in 2014 and 2015; however, neither of these fires burned inside the City limits of Kenai. City of Kenai Firefighters provided mutual aid to Central Emergency Services (CES).

Volcanoes and Fallout: There are five active volcanoes located on the west side of Cook Inlet that lie within the KPB boundaries: Fourpeaked, Augustine, Iliamna, Redoubt, and Mount Spurr. Eruptions from volcanoes on the west side of Cook Inlet can result in the deposition of ash, which can cause damage to structures and equipment. Fresh volcanic ash fallout may be harsh, acidic, gritty and smell like sulfur. Heavy ash-fall may reduce sunlight, causing a sudden demand and possibly brownout of electrical power. Ash can clog watercourses, sewage plants, and all kinds of machinery.

According to the 2016 HMP, all areas within the City of Kenai have equal risk of effects from volcanic activity. One of the most vulnerable sectors is the aviation industry, which is at risk from the effects of airborne volcanic ash. The City continues to participate in cooperative effort with Borough OEM,

local media to provide the public with preparedness information prior to and during periods of increased volcano seismic activity.

Earthquakes: Alaska is one of the most seismically active regions in the world. Three of the ten largest earthquakes ever recorded have been in Alaska.

Earthquakes of magnitude 7 or greater occur in Alaska on average of about once a year; magnitude 8 earthquakes average about 13 years between events. Although southcentral Alaska is in a high seismic risk zone, Kenai is relatively well protected from earthquake-generated tsunami danger due to the high bluffs; and the relatively shallow depth of upper Cook Inlet results in a low tsunami risk. Kenai was relatively undamaged in the 1964 earthquake; however, the potential for seismic events remains high. More recently, on January 24, 2016 at 1:30am a 7.1 magnitude quake occurred 53 miles west of Anchor Point.

The City of Kenai felt the greatest impact when a gas line broke on Lilac Lane. There were two house explosions, and a total of four homes on Lilac Lane were completely destroyed. The dangers associated with earthquakes include ground shaking, surface faulting, ground failures, snow avalanches, seiches and tsunamis. The City will continue to cooperate with the KPB, OEM, local media and local emergency responders to collectively notify the public of evacuation procedures.

The extent of damage from an earthquake is dependent on the magnitude of the quake, the geology of the area, the nature of the earthquake (surface faulting, ground failure, liquefaction, etc.), distance from the epicenter and structure design and construction. The city continues to enforce building codes and construction standards.

4.3 Population, Education and Housing

The purpose of this section is to provide background information about population, education and housing trends that may influence private and public investment decisions and public policy decisions at the local and regional levels.

4.3.1 Population

For the first half of the 1900s, the community of Kenai's population stayed around 300 people. After discovery of the Swanson River oil field in 1957, Kenai grew eight-fold from 778 people in 1960 to 6,327 in 1990 becoming the Kenai Peninsula's most populous city. During the



statewide economic slowdown in the 1990s, Kenai's population grew from 6,327 (1990) to 6,942 (2000) or about 9.7%, adding fewer residents than in any decade since the 1950s.

Between 1990 and 2000, nearby small rural settlements (Cohoe, Clam Gulch, Kasilof, Nikiski, Ridgeway, and Salamatof) grew by an average of 34%. This trend may reflect the preference to work, shop, and recreate in the cities but live in the rural countryside. Kenai's population growth slowed between 2000 and 2010 with an increase of about 2.3%.

This slowing trend continued between 2010 and 2015. By 2015, Kenai's population grew from 7,112 (2010) to 7,229 (2015) or about 0.8% (DLWFD, 2015). Using this same assumption for future population change, Kenai could reach 8,385 by 2035.

Between 2010 and 2015, the distribution of males and females shifted slightly with an increase in the female population. This is particularly noteworthy in the age group 65+. While the Kenai Peninsula is less ethnically diverse than the state as a whole and the growth rate of the non-white population is among the lowest at 3.2%, this sector's share of the population is expected to continue to increase over the next 5 years (KPEDD CEDS, 2016).

Of particular note for Kenai is the growing increase in people older than 65 and the decline of people under that age between 2010 and 2015. The median age of Kenai's residents rose from 28.6 years in 1990 to 32.3 years in 2000, 34.7 years in 2010 and 34.8 years in 2015. Kenai's median age in 2010 was lower than the national median age and slightly higher than that of Alaska.

The aging of Kenai's population is consistent with local trends on the Peninsula and with national trends as the "baby boomers" reach retirement age. According to the KPEDD 2015 Report-Industry Trends and Outlook, 8,100 people (14%) on the Kenai Peninsula are 65 or older; by 2027 it is projected that 14,800 people (23%) will be over 65. The number over age 85 is expected to increase four-fold over 30 years, from about 670 in 2014 to 3,270 in 2042. Table 4 illustrates the change by age (and includes sex) between 2010 and 2015.

Table 4. Age, Sex, and % Change April 2010-July 2015

Age Group	April 2010 Estimate			July 2015 Estimate			% Change
	Total	Male	Female	Total	Male	Female	
Under 19	2,219	1,124	1,095	2,202	1,120	1,082	-1%
Age 20-44	2,277	1,136	1,141	2,270	1,133	1,137	-1%
Age 45-64	1,921	941	980	1,872	890	982	-1%
Age 65-79	572	287	285	721	347	374	+26%
Age 80+	123	45	78	164	70	94	+33%
Median Age	34.7	33.6	35.6	34.8	33.9	35.9	+1%
Total	7,112	3,533	3,579	7,229	3,560	3,669	+1.06%

Source: Alaska Dept. Labor & Workforce Development, 2015

The increase in the senior population is an important consideration when planning for transportation systems, housing location and types (assisted living), location and the availability and accessibility of commerce (stores, entertainment), facilities such as the senior center, library, and recreation center, and services such as health care and related services, and government services.

Since 1990, the average household size in Kenai has continued to decline. As shown in Table 5, Kenai's average household size continues to be smaller than the Alaska and national average. Over the long run, these trends signify slower population growth, a steadily aging population with more seniors, a shift in housing demand mix, and a shift in local priorities for public facilities and services to meet changing needs of a changing population.

Table 5. Household Size Comparison: City of Kenai, State of Alaska, and the U.S.

Subject	Kenai	Alaska	U.S.
Median Age	36.9	33.8	37.2
Household Size	2.51	2.79	2.63

Source: U.S. Census 2016

4.3.2 Education

The City of Kenai schools are administered by the Kenai Peninsula Borough School District. There are 7 schools in Kenai with a population for school year 2015-2016 of 1,885 students. The schools are:

- Aurora Borealis Charter School – 181 students
- Kaleidoscope School of Arts & Science – 256 students
- Kenai Alternative High School – 78 students
- Kenai Central High School – 523 students
- Kenai Middle School – 382 students
- Marathon School – 11 students
- Mt. View Elementary – 454 students

In addition, the citizens of Kenai have access to college courses at the Alaska Vocational Technical Center (AVTEC) which is located in Seward as well as Kenai Peninsula College (KPC) which is located within Soldotna. Students can take courses through the University of Alaska, Anchorage, Fairbanks or Southeast while attending KPC to earn a Bachelor's Degree in a number of different subjects including but not limited to Anthropology, Elementary Education and Biology. Furthermore, KPC offers a number of Associate of Arts and Certificate programs. AVTEC offers short term and long term programs including the Alaska Culinary Academy, the Alaska Maritime Training Center, and courses in information technology, nursing, applied technology and power plant operations.

Overall school enrollment in Kenai Peninsula schools has steadily declined over the last ten years. Student enrollment during the 2003-2004 school year was 9,645 students and has since decreased to 9,132 students in 2015-2016. Public school enrollment appears to be decreasing at the same time the school-age population also decreases. School-age population age groups 5-9, 10-14, and 15-19 years old combined total about 19% of the Kenai Peninsula Borough's population (KPEDD CEDS, 2016). The U.S. Census information on educational trends in Kenai before 2009 indicates there was decreased enrollment in high school and younger and increased enrollment in college.⁸

It is projected that through 2042, the share of students will remain essentially flat at both the borough and state level. The state projects the number of school aged children on the Peninsula will begin increasing around 2020 (KPEDD 2016 Situations & Prospects). Tracking and assessing the changes in school-age population groups provides important information to the school district and the City of Kenai when planning for the design, construction, and operation of educational facilities and programs that serve residents.

Table 6 describes the level of educational attainment (percent of total) for the City of Kenai population 25 years and older.

Table 6. Educational Attainment 2009– 2014, Kenai

Educational Attainment	2009-2013		2010-2014	
Population 25 years and over	4,662	% of Total	4,766	% of Total
Less than 9 th grade	-	1.8%	-	1.8%
9 th to 12 th grade, no diploma	-	5.1%	-	6.4%
High school graduate (includes equivalency)	-	35.6%	-	35.2%
Some college, no degree	-	27.4%	-	26.4%
Associate's degree	-	7.9%	-	7.0%
Bachelor's degree	-	12.8%	-	13.3%
Graduate or professional degree	-	9.4%	-	9.9%

Source: KPEDD 2016 Draft Situations & Prospects Report, May 2016
(US Census American Community Survey, 5-Year Estimates 2009-2013, 2010-2014)

Among adults aged 25 and older in the Kenai Peninsula Borough, 93% have a high school diploma or greater compared to 92% statewide. The number of college graduates on the Kenai Peninsula at 24% is slightly lower than the state's average of 28%.

4.3.3 Housing

The number of houses constructed in the Kenai Peninsula Borough varies by year and by community. On average 45.3 percent of the houses are built in Homer, 26.8 percent in Kenai and about 23 percent in Soldotna.

⁸ For cities with a population the size of Kenai, the American Community Survey uses five year averages for some survey data such as education.

Although Kenai is one of Alaska's oldest settlements its housing stock is relatively new and in good condition because most homes were built after 1980 (KPEDD CEDS, 2016).

Housing affordability is described in terms of "cost-burden" or the percent spent on housing costs, including rent, utilities, and energy costs. For Kenai the cost-burden is about 30.7% while borough-wide is 34% and the state-wide level is 31% (KPEDD 2016).

According to Alaska Housing Finance Corporation (AHFC), the average home loan amount in the Kenai Peninsula Borough in 2015 year was \$214,885. For the city, the average value of a single-family home was \$193,900 in 2014. The average price of single family homes has been, steadily rising over the last 11 years (KPEDD 2016).

Between 2010 and 2014, the total number of housing units in Kenai increased from 3,108 to 3,221. The number of new dwelling units constructed in Kenai increased from 20 in 2010 to 36 in 2015. Most homes are on public water supply and sewage disposal systems and use natural gas. Table 7 provides an overview of housing units, values, and monthly rents.

Table 7. Housing Units 2009-2014, City of Kenai

Housing In Kenai	2009-2013		2010-2014	
		% of Total		% of Total
Total housing units	3,108	-	3,221	-
Occupied housing units	2,820	90.7%	2,896	89.9%
Vacant housing units	288	9.3%	325	10.1%
Median value of owner-occupied units	\$184,800	-	\$193,900	-
Median monthly rent (for renters)	\$885	-	\$910	-

Source: KPEDD 2016 Draft Situations & Prospects Report, May 2016

4.3.4 Energy Costs

Based on the 2009-2012 data used in the 2014 Alaska Housing Finance Corporation (AHFC) Assessment, the average annual energy cost for homes in the Kenai Peninsula Borough is \$4,510, 60% higher than the cost in Anchorage (\$2,786) and twice as high than the national average (\$2,129), but low compared with more rural places in the state. According to this AHFC assessment, the lowest average annual energy costs were found in Tyonek, where residents pay \$2,600 each year, and the highest average annual energy costs are in Seldovia where residents pay \$7,300 annually (KPEDD 2016).

The 2015 ADLWD Residential Rental Market Survey reported that the rental market on the Kenai Peninsula is healthy with an overall 6.8% vacancy rate. Average rent prices increased by only 3% from 2014-2015 (2015 ADLWD Annual Rental Market Survey).⁹

4.4 Economy

Recent trends and prospects in several key industries, suggest Kenai will continue to experience modest economic growth for the foreseeable future. Events, such as significant new oil and gas discoveries in Cook Inlet and the Alaska LNG Project, could lead to more rapid growth of the economy than estimated.

Since the 2003 Comprehensive Plan, the City of Kenai has expanded its role as a regional commercial center. Despite the closure of the Kmart store in 2003 and Lowes Improvement Center in 2011, a number of new box stores opened in Kenai, including Home Depot (2004) and WalMart Supercenter (2010).¹⁰ In 2008, the 78-room Aspen Extended Stay Suites opened for business. In addition to providing local jobs, these businesses generate tax revenue for the City.

This section provides a snapshot of some of the most important sectors of the economy from information available in May 2016. It includes information from the U.S. Census Bureau, the Kenai Peninsula Borough, the 2006 *Kenai Economic Development Strategy*, and the Kenai Peninsula Economic Development District (KPEDD).¹¹ In 2016, KPEDD updated its *Comprehensive Economic Development Strategy and Gap Analysis*. The 2006 Kenai Economic Development Strategy (KEDS) work plan was considered when developing the Draft 2013 Plan and that information has been used and updated with KPEDD information for the 2016 revision.

Unlike the rest of the country, Alaska did not experience a sharp recession in 2009. The KPEDD found that the Kenai Peninsula's resource-based economy slowly weakened as a result of fewer tourists, a decline in oil drilling, poor fish prices, and a decrease in consumer confidence (KPEDD 2010). Because the Kenai Peninsula Borough has one of the most diverse economies in Alaska, this diversity softened negative impacts to the regional economy.

The City of Kenai's economic well-being is closely tied to general economic conditions in the Kenai/Soldotna area. This area continues to be the trade and service center for the western Kenai Peninsula and a local government center. The area has an industrial base and a healthy visitor industry centered on the recreational fisheries of the Kenai River and Cook Inlet.

⁹ The survey includes Anchorage, Fairbanks North Star Borough, City and Borough of Juneau, Kenai Peninsula Borough, Ketchikan Gateway Borough, Kodiak Island Borough, City and Borough of Sitka, Valdez-Cordova Census Area, and the Wrangell Borough-Petersburg Census Area.

¹⁰ In August 2011, the Lowes Improvement Center closed unexpectedly.

¹¹ KPEDD now publishes the annual *Situation and Prospects* report.

Oil and gas, seafood, and tourism are the basic economic sectors that drive the Kenai economy. Basic sector means that these are the businesses that bring new money into the economy. Retail and the service sectors, in contrast, rely on business drawn from local residents.

The remainder of this section provides more details about economic indicators, including employment and income, sales, retail trade, retail space, permits, and business licenses.

4.4.1 Employment and Income

The City of Kenai has a diverse economy and an educated and mobile workforce. The community has competitive wages placing the community's residents in a good position for access to the region's job pool. Table 8 describes employment status between 2009 and 2014.

Table 8. City of Kenai Employment 2009-2014

Employment Status	2009-2013		2010-2014	
	Population	% of Total	Population	% of Total
Population 16 years and over	5,608	-	5,705	-
In civilian labor force	3,915	69.8%	3,834	67.2%
Unemployed	437	7.8%	404	7.1%
Working	3,478	62.0%	3,430	60.1%
Private wage & salary workers	2,664	76.6%	2,674	78.0%
Government workers	561	16.1%	554	16.2%
Self-employed in own, not-incorporated business	253	7.3%	202	5.9%
Unpaid family workers	0	0.0%	0	0.0%
In Armed Forces	0	0.0%	0	0.0%
Not in labor force	1,693	30.2%	1,871	32.80%

Source: KPEDD Socioeconomic Data, City of Kenai, 2016

Between 2009 and 2013, 76% of the workforce was in the private sector with 2,664 in wage and salary positions, 253 self-employed, and 0 unpaid family workers. Government workers included 569 people or 16.1% of the workforce. In contrast between 2010 and 2014, the number in the workforce decreased slightly from 69.8% to 67.2% and the unemployment decreased as well from 7.8% to 7.1% (KPEDD 2016).

Table 9 describes the major occupations (age 16+) in Kenai.

Table 9. Major Occupations, City of Kenai, 2015

Industry	2015	
	Number of Workers	% of Total
Natural Resources & Mining	483	14.1
Construction	172	5.0
Manufacturing	139	4.1
Trade, Transportation, Warehousing & Utilities	685	20.0

Information	46	1.3
Finance & Insurance & Real Estate Renting/Leasing	110	3.2
Professional, Scientific, & Management Administrative & Waste Mgt. Services	183	5.3
Educational Services; Health Care & Social Services	550	16.0
Arts, Entertainment, Recreation, Accommodation & Food Services	356	10.4
Other Services (except Public Administration)	114	3.3
Public Administration (State – 167; Local - 142)	591	17.3

Source: U.S. Census

Kenai is a relatively low-cost labor area. Table 10 describes income and benefits by household and by family in the City of Kenai. In 2009, the average household income was \$78,137 and the average family income was \$89,140. By 2014, the average household income had only increased slightly to \$78,824 but the average family income had increased to \$92,768.

Table 10. City of Kenai Income & Benefits 2009-2014

Income and Benefits (in 2013 and 2014 inflation-adjusted dollars)	2009-2013		2010-2014	
		% of Total		% of Total
Total households	2,820	-	2,896	-
Median household income	\$63,019	-	\$62,088	-
Average (mean) household income	\$78,137	-	\$78,824	-
Total Families	1,870	-	1,833	-
Median family income	\$76,815	-	\$76,445	-
Average (mean) family income	\$89,140	-	\$92,768	-
Per capita income	\$31,710	-	\$32,471	-

Source: KPEDD Socioeconomic Data, City of Kenai, 2016

4.4.2 Business Indicators

This section provides a brief overview of some of the local business indicators – sales and business licenses.

Sales: The amount of annual sales can fluctuate from year-to-year. For 2015, taxable sales were \$238.6 million (City of Kenai, 2016). The retail trade business category in 2015 represented over 68% of all sales followed by restaurant/bar (City of Kenai, 2016).

Building Permits: While the Kenai Peninsula Borough does not issue building permits, the communities of Kenai, Homer, Seldovia, Seward, and Soldotna issue permits. For the five-year period between 2005 and 2009, the average annual value of all types of construction permits issued by the City of Kenai was \$19.0M with a high of \$46.5M in 2008. Between 2010 and 2015, the average annual value of all types of construction permits issued by the City was \$86M with a high of over \$29M in 2012 (City of Kenai, 2016). Table 11 illustrates commercial and residential construction valuations for the years 2010 through 2015.

Table 11. City of Kenai Construction Valuation 2010-2015

Year	Construction Type	Valuation (\$)
2010	Commercial	\$7,535,700.00
	Residential	\$3,367,100.00
	Total 2010 Valuation	\$10,902,800.00
2011	Commercial	\$7,149,981.00
	Residential	\$5,284,784.96
	Total 2011 Valuation	\$12,434,765.96
2012	Commercial	\$25,137,400.00
	Residential	\$4,848,156.00
	Total 2012 Valuation	\$29,985,556.00
2013	Commercial	\$12,312,200.00
	Residential	\$5,484,900.00
	Total 2013 Valuation	\$17,797,100.00
2014	Commercial	\$1,392,000.00
	Residential	\$446,500.00
	Total 2014 Valuation	\$1,838,500.00
2015	Commercial	\$6,671,000.00
	Residential	\$6,592,011.00
	Total 2015 Valuation	\$13,263,011.00
2010-2015	Commercial	\$60,153,281.00
	Residential	\$26,023,451.96
Total Construction Valuation 2010-2015		\$86,221,732.96
Average Yearly Construction Valuation		

Source: City of Kenai, 2016

Between 2010 and 2015, there were seven major construction projects issued building permits with valuations of over \$1M and over ten projects with valuations between \$500,000 and \$1M. Projects included the Den'ina Wellness Center, CINGSA, Baker Hughes Oilfield Development, ACS-Walmart, Kenaitze Indian Tribe, Homer Electric Association, Clint-Hall Assisted Living Facility, multiple private commercial developments and single family homes, and multiple City of Kenai projects including the library, water treatment facility and combined facility.

Business Licenses: There were 7,270 businesses registered to report sales and potentially pay sales taxes in the Kenai Peninsula Borough in January 2016. Also at that time, there were 6,195 individuals that had an Alaska State business license with a physical location on the Kenai Peninsula. Of those licenses, 1,032 were registered to businesses in the City of Kenai (KPEDD 2016).

4.4.3 Oil and Gas Industry

The Cook Inlet area has been one of the nation's most productive oil and natural gas regions. While considerable challenges exist in the short term, a significant increase in the estimate of undiscovered reserves in the region provides reason to be optimistic about the future for this industry.

While the easiest to develop oil and gas resources have been found, considerable resources are estimated to remain in the region. In 2009, the Alaska Department of Natural Resources, Division of Oil and Gas (ADNR DOG) estimated there were 109 million barrels of oil and 1.56 trillion cubic feet



Gas Facility in Kenai

of gas from known accumulations. In 2011, however, new geologic information boosted the estimates of *undiscovered* technically recoverable reserves for the Cook Inlet region to include 19 trillion cubic feet of natural gas, 600 million barrels of oil and 46 million barrels of natural gas liquids (USGS 2011). Cook Inlet gas production fell by almost half from 2001 to 2011 (KPEDD 2016).

According to the KPEDD 2016 Situations and Prospects report, the Kenai Peninsula oil and gas industry has been declining since the 1970s and since the gas production peak in 2001. In 2015, ADNR DOG, reported that the Cook Inlet basin produced 8,308 billion cubic feet (BCF) of gas and 1.350 Bbbls of oil as of December 31, 2014, with approximately 1,183 BCF of proved and probable remaining gas reserves (ADNR DOG, 2015). A total of 43 new gas wells were drilled and completed from 2010 through 2014. This was a 22 percent decrease from the 55 wells drilled during the period from 2005 to 2009 (ADNR DOG, 2015).

However, Cook Inlet oil and gas resources and interest in these resources will likely continue to be an important economic influence for the region. Recent historical interest in oil and gas in and near Kenai between 2010 and 2016 (May 2016) can be illustrated by the following activities:

- 2010: The LNG plant at Nikiski evaluated the renewal of export authorization to beyond 2011. CINGSA (Semco/Enstar) planned a 3rd party gas storage facility in the Sterling C sands at Cannery Loop.
- 2011: CINGSA (Enstar) DNR issued a gas storage lease for Sterling C sands in the Cannery Loop field. Buccaneer permitted and drilled Kenai Loop No. 1 well and signed supply contract with Enstar to provide gas starting in 2012. ConocoPhillips- Marathon's LNG export license was issued a 2-year extension through 2013 by the Department of Energy; the LNG plant's last shipment was November 2011; and the plant shut down and preserved for future use.

- 2012: Buccaneer signed a supply contract with Enstar to provide gas; drilled third well; and planned additional wells for 2013. CINGSA (Enstar) drilled 5 wells for gas storage. Nordaq Energy permitting and EIS for wells, road, and development facilities in progress for potential project at Shadura. Enstar-Chugach-ML&P Utilities foresee gas imports in 2014-2015 will meet peak seasonal demand swings; evaluating liquefied and compressed natural gas options.
- 2013: Nordaq Energy received state and federal permissions for Shadura project. Agrium considered restarting the Nikiski fertilizer plant and applied for new air quality permits. ConocoPhillips applied for LNG export license to ship from Nikiski facility.
- 2014: Buccaneers Kenai Loop Field production escrowed pending agreements with Mental Health Trust, CIRI, and DNR as operator's bankruptcy proceedings continued. Cook Inlet Tesoro entered into a pipeline development agreement to build 8-inch oil line from the west side of Cook Inlet to the Tesoro refinery at Nikiski (2015). ConocoPhillips LNG export license reauthorized by DOE for the shipment of up to 40 BCF from the restarted Nikiski facility. Alaska LNG Project submitted permit applications to export up to 20 million metric tons of LNG per year for 30 years. US Army Corps of Engineers preparing draft of Supplemental EIS for the Alaska Stand Alone Pipeline Project. Agrium asked AIDEA for financing to restart Nikiski fertilizer plant using Cook Inlet natural gas feedstock.
- 2015: Hilcorp permitted seven gas production wells at Beaver Creek Unit. The Regulatory Commission of Alaska approved consolidation of Hilcorp's Beluga Pipeline, Kenai Kachemak Pipeline, Cook Inlet Gas Gathering System, and Kenai Nikiski Pipeline into one system named the Kenai Beluga Pipeline. CINGSA discovered additional native gas in presumed depleted gas storage reservoir in its Cannery Loop field.

Alaska LNG Project received conditional authorization from the DOE to export up to 20 million metric tons of LNG per year for 30 years to non-Free Trade Agreement countries. The Federal Energy Regulatory Commission is preparing an EIS for the AKLNG project. Over 600 acres were purchased in Nikiski for an LNG plant and marine terminal. Work continues on the marine facility design and operations; geotechnical assessments; and design and testing of pipeline materials.

- 2016: SAE Exploration conducted 2D and 3D seismic surveys and Apache Alaska Corporation suspended seismic acquisition and exploration activities in Alaska.

Construction of a North Slope natural gas pipeline with a spur pipeline to Cook Inlet, or a stand-alone natural gas pipeline, could revitalize the role of local gas-based industrial facilities.

At the date of this Comprehensive Plan, plans for a natural gas pipeline were not finalized. In February 2016, AKLNG reported project delays (KDLL, 2-28-16) that could also mean delays on decisions that would have major impacts to the Kenai Peninsula, including rerouting the Kenai Spur Highway to accommodate the new plant and associated traffic increase. The highway reroute is currently penciled in to be completed by the end of 2018, with construction of the LNG plant estimated to begin in 2019.

If BP, ConocoPhillips, ExxonMobil, and the State of Alaska continue to move forward with the Alaska LNG Project through the front-end engineering and design stage, oil and gas extraction and support activities will grow, which in turn, brings additional employment in industries such as transportation, warehousing and wholesale trade, healthcare. As the job sector grows, so does the demand for houses, healthcare, and educational services among others (KPEDD CEDS2016).

4.4.4 Fisheries and Seafood Processing



Four different fisheries take place within the City's boundaries: commercial, sport, personal use, and educational fisheries.

In 2014, 673 vessels landed 4.5 million pounds of halibut at three ports in the KPB: Homer, Seward, and Kenai, with over half the effort at Homer (KPEDD 2016). Sablefish fishery brought in 5.48 million pounds to KPB ports on 407 reported landings in 2014. This is 26% of the state's total commercial sablefish harvest (KPEDD 2016). In that

same year Kenai was ranked as one of the top 50 U.S. ports for volume of seafood deliveries with a landed value of \$11.5 million (NOAA Commercial Fisheries Statistics, 2016).

According to KPEDD, during fiscal year 2015 the state shared \$1.2 million with the Kenai region from commercial fishery taxes. Totals shared in FY 2015 were \$644,000 to the borough, \$349,000 to Seward, \$196,000 to Kenai, \$21,000 to Homer, and \$2,800 to Soldotna. The more fish that are processed locally and the more value per fish that processors can add, the higher will be the revenue that circulates through the region from commercial fishing (KPEDD 2016).

While the seafood industry in Cook Inlet originally focused on production of high quantities of canned salmon, Kenai no longer has a true "salmon cannery." Local seafood processors now focus on predominantly fresh, high-quality seafood delivered across the United States during the salmon and halibut season as well as fresh frozen products that are distributed to markets worldwide after the season. The largest plants are Icicle Seafood's in Seward, and the Inlet Fish plants in Kenai and

Kasilof. Processing industries also rely on local hardware and auto retailers and on local repair shops for vessel maintenance and upgrades.

The City works collaboratively with agencies and the fishing industry to support sustainable fisheries harvests. The rapid growth of the Kenai River personal use dipnet fishery has added a 250,000-400,000 sockeye fish harvest in a short time period to the management mix. The City provides a number of services to support this fishery including parking and camping on the beaches, restrooms and trash collection, police patrols and a boat dock with a 4 ramp boat launch. In 2014 the City instituted a tide dependent no wake zone for a 6,000-foot segment of the south river bank to reduce erosion; eliminated an access and improved another, and is constructing a new access at the Kenai River mouth; maintained solid waste and pit toilets, and provided police foot and boat patrols. Revenue was generated from municipal boat launch and parking fees. The costs for management equal revenue derived from the boat launch and parking fees collected during the fishery (KPEDD 2016).

4.4.5 Visitor Industry

The Alaska Department of Commerce, Community and Economic Development estimate that about 500,000 people visit the Kenai Peninsula each summer. While tourism has been one of the fastest growing sectors in the Borough, the number of visits has declined since 2007, a peak year. Visitor patterns are highly seasonal with outdoor recreation and sport fishing representing the major visitor activities, and the historic Kenai Old Town is an important attraction. The Kenai River provides a major recreation destination for both residents and visitors. The charter fishing industry provides economic benefits to the City of Kenai through employment and through local spending by clients.

Alaska residents represent the largest group of visitors to the Kenai Peninsula. The period June-August of each year accounts for over two-thirds of annual visits. The visitor industry directly supports a number of local

businesses in Kenai – accommodations, food and beverage sales – all of which contribute to the sales tax revenues generated.

Visitor levels were mixed among Chamber of Commerce-operated visitor centers in Kenai, Homer, and Soldotna. According to KPEDD, the Kenai Peninsula's tourism industry is recovering from the



Kenai Visitors and Cultural Center

2008-2009 US recession and reduction in visitor travel and related spending. Employment numbers are back to pre-recession levels, but average monthly wages in the tourism sector have declined compared to 2008 (KPEDD Situations & Prospects 2016).

The Kenai Chamber of Commerce and Visitors Center promotes Kenai as a destination, and it operates the Kenai Visitors and Cultural Center. The Center provides information to visitors and it includes exhibits and a gift shop. The Kenai Peninsula Tourism Marketing Council markets the peninsula as a tourist destination.

4.5 Public Facilities and Services

The City of Kenai provides a variety of facilities and services to its residents, local businesses and industries. These include:

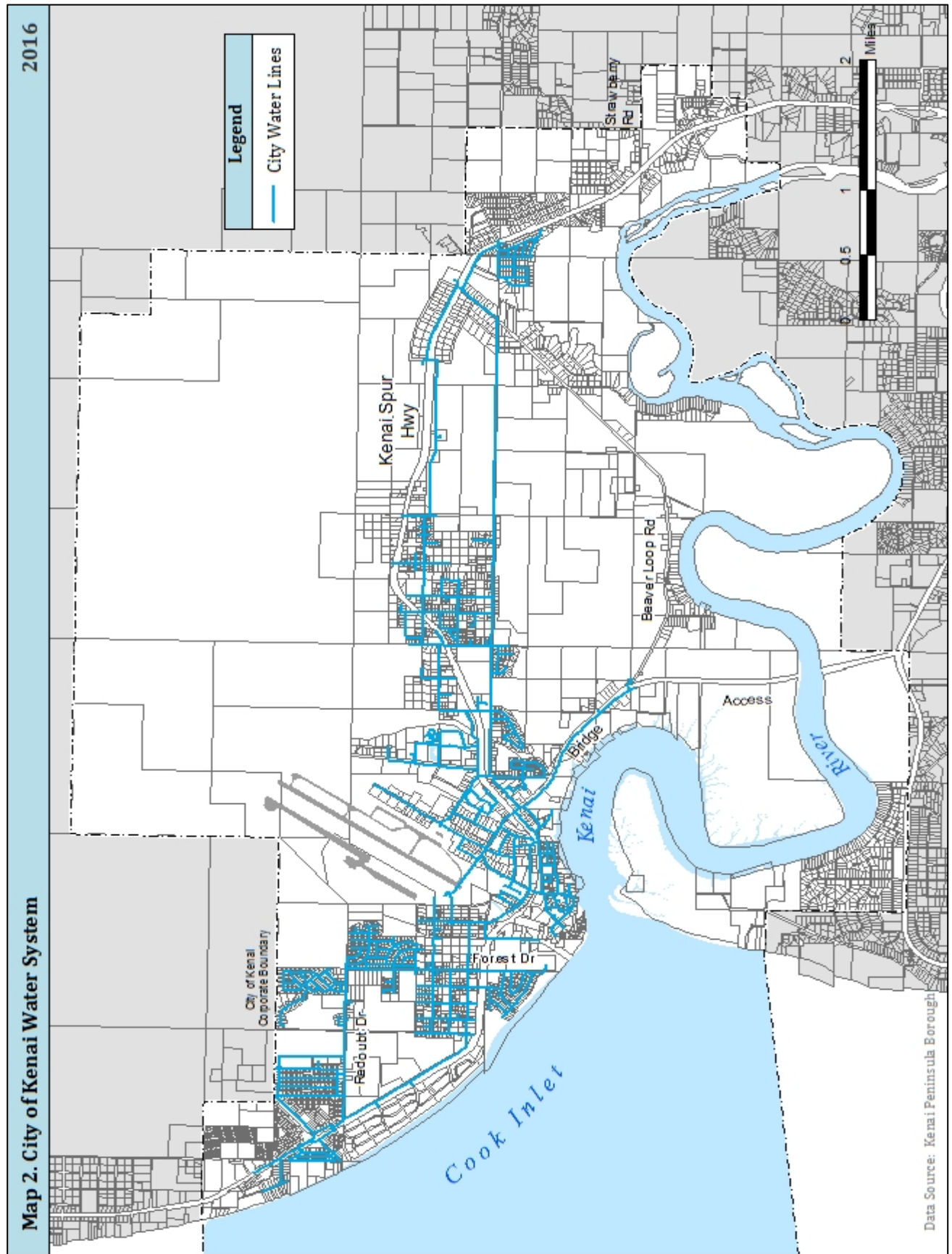
- Water and Sewer
- Public Safety
- Fire and EMS
- Library
- Seniors
- Transportation
- Parks and Recreation
- City Dock
- Airport

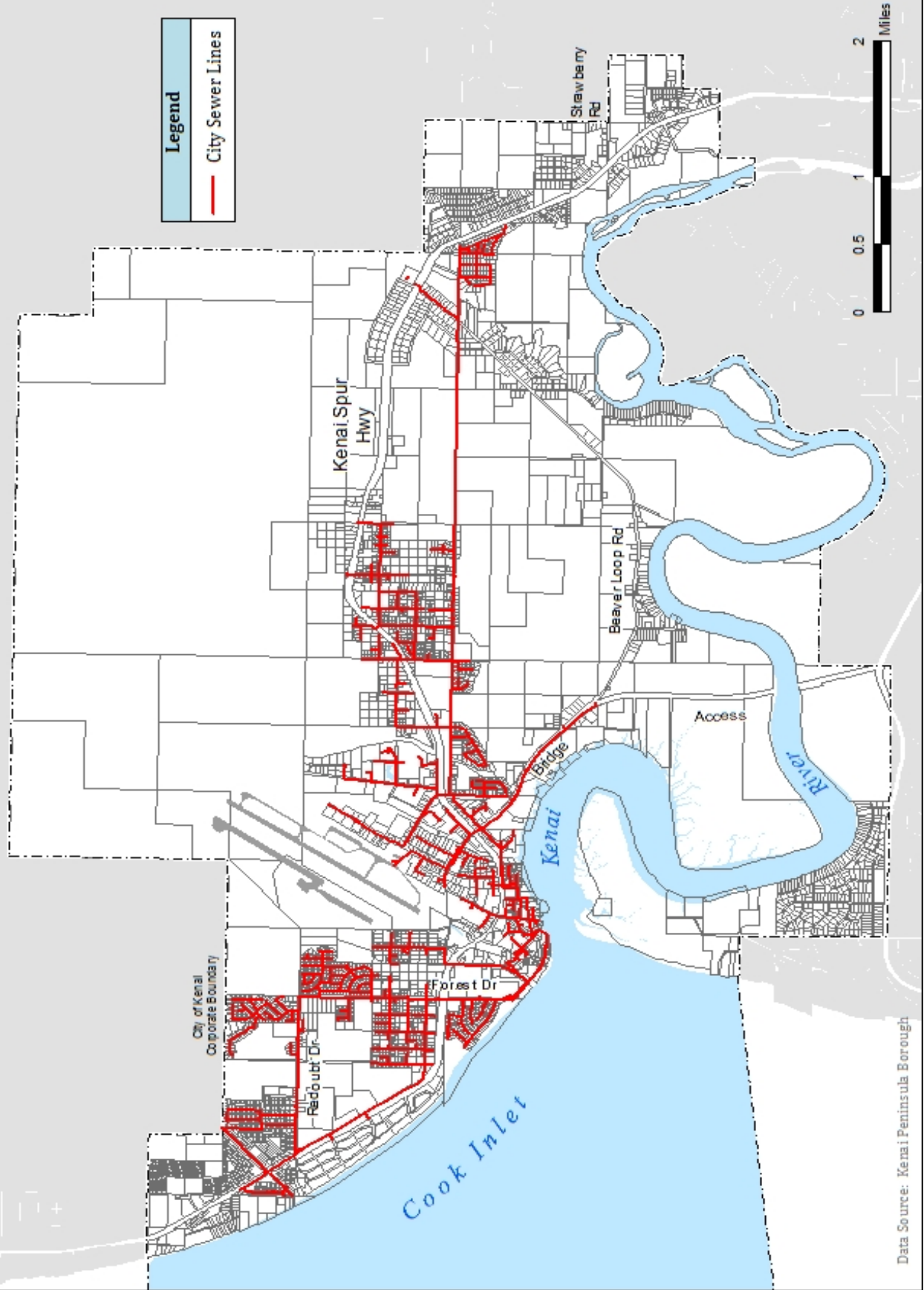


The popular Dipnet Fishery occurs each July

The areas of Kenai now served by city roads and water and sewer utilities are shown in Maps 2 and 3.

These services are funded locally by the City of Kenai and with the support from other funding sources (grants, etc.).





4.5.1 Water and Sewer Systems

About 1,680 homes and businesses (4,000-5,000 users), or 70% of the city's population, are connected to the water and sewer system. Kenai currently has 4 operational well houses located near the intersection of Kenai Spur Highway and Beaver Loop Road on Shotgun Road. A water treatment facility that removes harmless color began operating in 2012. A new 1,000,000-gallon reservoir is under construction in 2016. Once completed the existing 3,000,000-gallon reservoir will have the interior coatings removed and replaced.

The wastewater treatment plant, constructed in 1982, was designed for a population of 11,650 people and an average wastewater flow of 1.3 million gallons per day, and operates between 50% and 70% total capacity. The updated 2004 Wastewater Facility Master Plan identified a number of improvements that could increase the plant's efficiency.

A project is in the funding and design phase to reduce the levels of ammonia in the effluent and increase the energy efficiency of the plant.

4.5.2 Public Safety



The Police, Fire and Emergency Medical Services (EMS) departments are housed in the Public Safety Building on Main Street Loop and Willow Street. The police department facility was expanded and renovated in 1984-85. The fire department serves approximately 7,100 people within



the boundaries of the community. The fire department is responsible for all fire suppression, airport crash fire rescue, hazardous materials, EMS, fire prevention programs, enforcement of city and state fire safety and prevention codes, and fire investigations. The City has a mutual aid and automatic aid agreements with Central Emergency Services and the Nikiski Fire Department.

4.5.3 Transportation

A safe, affordable, accessible, and efficient road, trail, marine, and aviation transportation system is essential for community development and expansion in Kenai. While Kenai's road system is adequate in many respects, as the community grows, improvements to connectivity between where people live, shop and work will continue to be an important consideration when reviewing development proposals. Coordinated transportation and land use policies reduce congestion, improve safety, and help move people, vehicles, and goods more efficiently. Limited public transportation is available through CARTS (Central Area Rural Transit System).

Roads: Of the 99 miles of roads in Kenai, the City of Kenai maintains approximately 60 miles, including approximately 15 miles of gravel surfaced roads (Map 4). About 31% of city roadways are unpaved, and many roads are 20-30 years old.

The City of Kenai Public Works Department maintains these roads year-round and is responsible for snow plowing and road grading, shoulder maintenance, drainage ditches and culverts, and rights-of-way and easements (City of Kenai, 2016). City road construction is funded with municipal revenue, state-shared revenue, and by property owners in Local Improvement Districts (LIDs). Maintenance is funded on an annual basis using revenue from sales tax and property taxes. The City requires road rights-of-way dedications in new subdivisions.

The construction of the Bridge Access Road, residential growth at Kalifornsky Beach Road area and employment growth in the vicinity of Willow Street and Main Street Loop have funneled more traffic into the central area. These trends are positive for the long-term commercial viability of the city center and for future development of Millennium Square.

Declines in traffic occurred in Nikiski on the Kenai Spur Highway where traffic declined by about 5000 vehicles per day on average. Travel along the Kenai Spur Highway in Nikiski immediately spiked upwards by over 1,300 average vehicles per day in 2012, following renewed investment in the oil and gas industry and speculative investment, partly in connection with the proposed LNG pipeline to a Nikiski gas liquefaction plant and terminal. By 2015, however, traffic along this highway segment had once again reduced to levels similar to 2007 (KPEDD 2016).

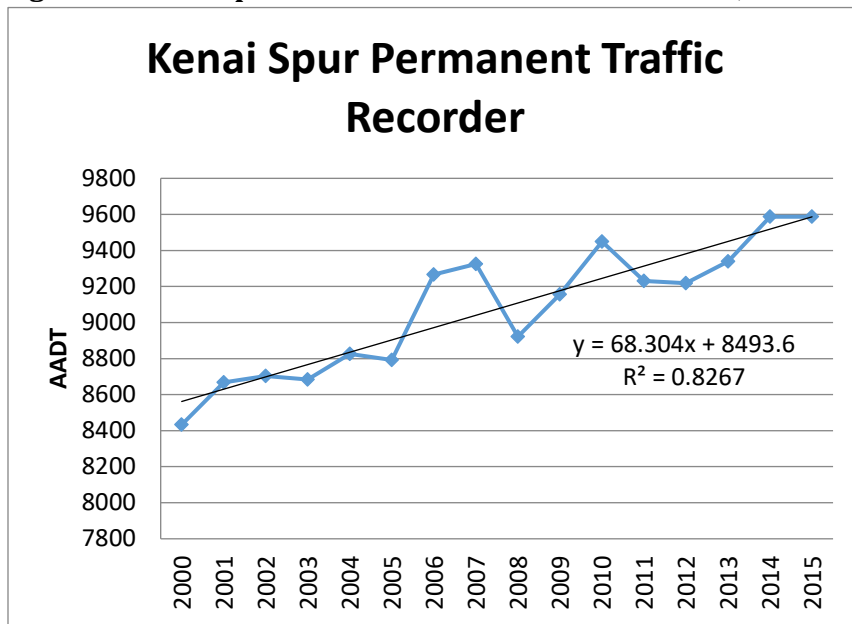
There is a Kenai Spur Permanent Traffic Recorder (PTR) that records all of the data points between 2000 and 2015. See Figure 2 which shows ADOT's calculations and applying linear regression to arrive at the growth rate of 0.76%.

Using actual traffic counts and adding a trendline using linear regression, ADOT estimates that traffic should grow approximately 0.76% per year along the highway.

The local and state road system plays an important role in the growth and expansion of residential, commercial and industrial development in Kenai. The proper location of future roads and trails necessary to meet the demand of residents and commercial developers will be important to managing the flow of people and goods within Kenai, addressing potential growth in the region and minimizing maintenance costs to the city.

Road improvements such as paving more streets, constructing sidewalks, creating trail linkages and expanding road shoulders could go a long way in attracting more traffic within the city center and improving the convenience and safety of doing business along parts of the Kenai Spur Highway corridor.

Figure 2. Kenai Spur Permanent Traffic Recorder Data, 2000-2015



Source: ADOT Traffic Engineering Kenai Spur Permanent Traffic Recorder 117600 Kenai Spur Highway 2000 - 2015

Table 12 describes the annual average daily traffic counts (AADT) between 2000 and 2015 along major roads that serve Kenai – both locally and regionally (ADOT&PF Traffic Division, 2016).

Traffic counts are collected on road segments between intersections, not at intersections. Years with actual traffic counts are highlighted in **red**. Years where traffic counts were only estimated are in **black**. Years with a change in traffic greater than 15% are highlighted in **grey**.

Using actual counts (red cells), the percent change for that segment of Swires Road to Airport Way was 5%; the percent change for the segment Airport Way to Bridge Access was 15%; and the percent change Main Street to Forest Drive was 3%.

Table 12. Average Annual Daily Traffic, 2000-2015, Kenai Roads

Start MiPt	Start Feature	End MiPt	End Feature	Stn #	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
0.000	Sterling Highway	1.024	Knight Drive	51733500	11050	11410	14269	14240	14470	13255	13400	13540	15809	13519	13860	13590	13130	13400	13268	11086
1.024	Knight Drive	1.313	Frontier Avenue	51735000	11050	11360	13170	13140	13350	13149	13290	13370	12800	12905	13320	14378	14360	14550	14734	14957
1.313	Frontier Avenue	1.784	Big Eddy Road	51738000	10406	10700	10740	14776	15010	12564	12540	12620	12080	14158	14610	14270	12093	12250	12220	10709
1.784	Big Eddy Road	2.391	Sports Lake Road	51741000	9220	10077	9701	9680	11313	10753	10870	10992	10520	10800	10876	10620	10610	10956	11021	9749
2.391	Sports Lake Road	6.216	Beaver Loop Road	51750000	8810	9060	9859	9840	10000	9869	9980	10040	9610	11141	11500	10664	10413	10550	10774	11060
6.216	Beaver Loop Road	8.017	Swires Drive	11760021	8433	8668	8704	8683	8825	8793	9267	9324	8922	9157	9449	9231	9218	9339	9587	9587
8.017	Swires Drive	10.214	Airport Way	51756500	9130	9644	9680	9451	9851	10688	10810	9057	8670	8900	11474	11210	11190	10784	9382	9632
10.214	Airport Way	10.575	Bridge Access Road	51760000	11030	11537	11590	11570	11760	11710	11840	11910	12329	12650	13050	12750	13947	14130	14112	13572
10.575	Bridge Access Road	10.951	Willow Street	51762000	13540	13920	15946	15910	16170	12476	12610	12690	12140	15696	16200	16035	16010	16220	15217	15622
10.951	Willow Street	11.251	Main Street Loop	51766000	13490	15137	14260	14230	15832	14754	14920	13976	13380	13730	14828	14490	14470	14416	13689	14054
11.251	Main Street Loop	12.000	Forest Drive	51773000	11439	11760	11810	13515	13730	12649	14047	14130	13520	13956	14400	13133	13430	13610	13589	12083
12.000	Forest Drive	13.912	Wildwood Drive	51777500	7480	7690	8675	8660	8800	8185	8280	8330	7970	8038	8309	8556	8540	8734	8705	8936

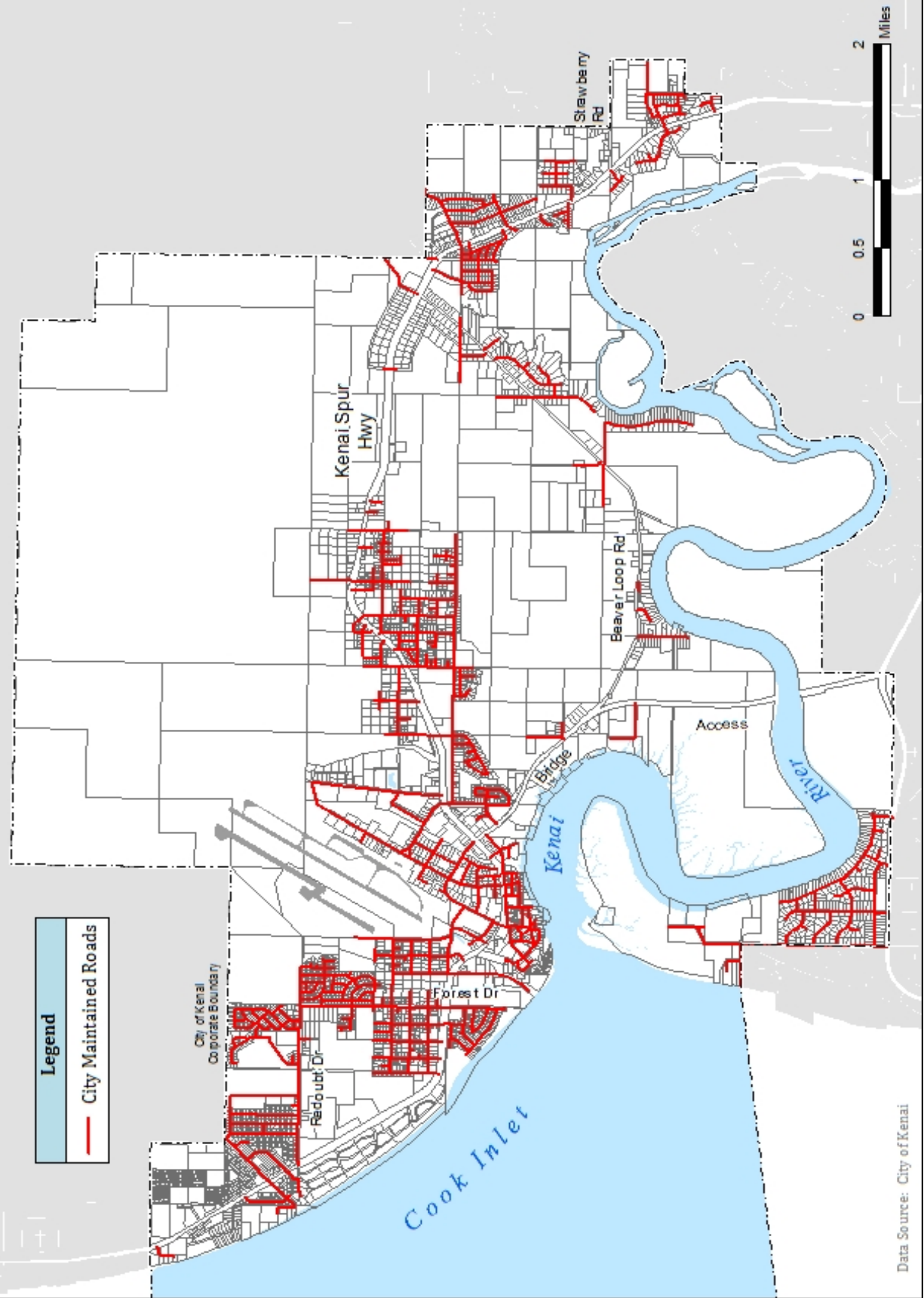
Source: ADOT Traffic Engineering Average Annual Daily Traffic Counts for 117600 Kenai Spur Highway 2000 – 2015

Black numbers = estimated traffic counts

Red numbers= actual traffic counts

Gray shaded cells = years where counts were greater than 15%

Map 4. City of Kenai Maintained Roads





Kenai Municipal Airport: The Kenai Municipal Airport (Airport) is the largest of nine airports in the region and serves as the primary collection and distribution center for scheduled passengers, cargo, and mail service (KPEDDCEDS 2016).

The primary mission of the Airport is to be the commercial air transportation gateway to the Kenai Peninsula Borough and West Cook Inlet.

The city-owned and operated airport is centrally located on approximately 1,458 acres of land near downtown Kenai. The airport property encompasses the airport, a major portion of central Kenai, and several undeveloped areas.



Plane Displayed at the Kenai Municipal Airport

The U.S. Government transferred the original airport tract to the City in 1963. Today, the Airport and related airport properties are a major economic and land asset for the City. The Airport supports a variety of economic activities with potential for growth.

The City is currently developing a 42-acre industrial park to the northeast along Marathon Road which will provide a center for future industrial activity. Additionally, the Airport is developing hangar lease lots with associated taxiways and roads adjacent to the floatplane taxiway/slip area at the southern end of the water taxiway. These lots will be suitable for commercial hangars as well as T-hangars.

The FAA classifies the airport as a Commercial Service-Primary Airport; commercial service airports are defined as those airports having 2,500 or more annual passenger enplanements with primary airports defined as commercial service airports having 10,000 or more annual passenger enplanements. The designated role of the Kenai Airport is to serve short-haul air carrier routes of less than 500 miles. The Airport consists of three runways; grooved 7,855-foot asphalt runway, 2,000-foot gravel runway, and 4,600-foot water runway, two helipads, and numerous taxiways. The asphalt runway is equipped with an instrument landing system (ILS). Southwest of the terminal building are 40 long-term paved tiedowns of which 10 have electricity.

At the float plane basin there are 25 long-term tie down slips and 10 transient slips which can accommodate aircraft with up to a 48-foot wing span. There are 5 commercial slips which can accommodate aircraft with a wingspan up to 65 feet. Both long-term and transient tie downs are available at the gravel runway. Fly-in camp sites are available at the float plane basin and gravel runway apron. Fuel is available for both wheeled and float planes with 24-hour credit card machines.

Two commuter airlines offer scheduled service between Kenai and Anchorage. Charter services are also available. An FAA Regional Flight Service Station is located at the Kenai Municipal Airport and is open 24 hours a day. An Air Traffic Control Tower is operated at the airport. A restaurant, lounge, car rentals, and taxis are available in the terminal. Short and long-term vehicle parking is available at the terminal. Hotel accommodations are located nearby.

The 1963 deed for the airport requires airport lands to be managed for use and support of the airport. Airport lands are identified on the Airport Layout Plan (ALP). Title 21 of the Kenai Municipal Code provides guidance for lease, sale, and use of airport-owned properties to ensure there is an adequate supply of land to support operation of the airport and to reduce incompatible uses on the airport proper. In 2016, the City rezoned the lands within the Airport Reserve Boundary to Airport Light Industrial to provide for development to highest and best uses for the airport. Such uses include support for airport-related services, revenue-generating leases, other private development, or public improvements. Map 5 illustrates current land use at the airport.

The airport leases a number of developed parcels including the Beacon Occupational Health and Safety Services, City Animal Control Shelter, City shop, the Flight Service Station, and numerous aviation and non-aviation properties. These leases provide funding for airport operations and maintenance from both lease holders and from the City General Fund.

The most recent Kenai Municipal Airport Master Plan was developed in 1997, and a Supplemental Planning Assessment was completed in 2007. Funding for a new airport master plan was secured in 2010 and the update to the Airport Master Plan started in 2011 and will be completed in 2016. An updated noise study was completed as part of the 2011 update and Map 6 illustrates the forecast 2030 noise exposure contours. Table 13 describes the passenger enplanements reported to the City and the FAA between 2005 and 2015 with the high year in 2013 with 103,835 passenger enplanements and the low year in 2009 with 80,958. There are enplanements that are not necessarily reported to the City but are reported to the FAA and vice versa.

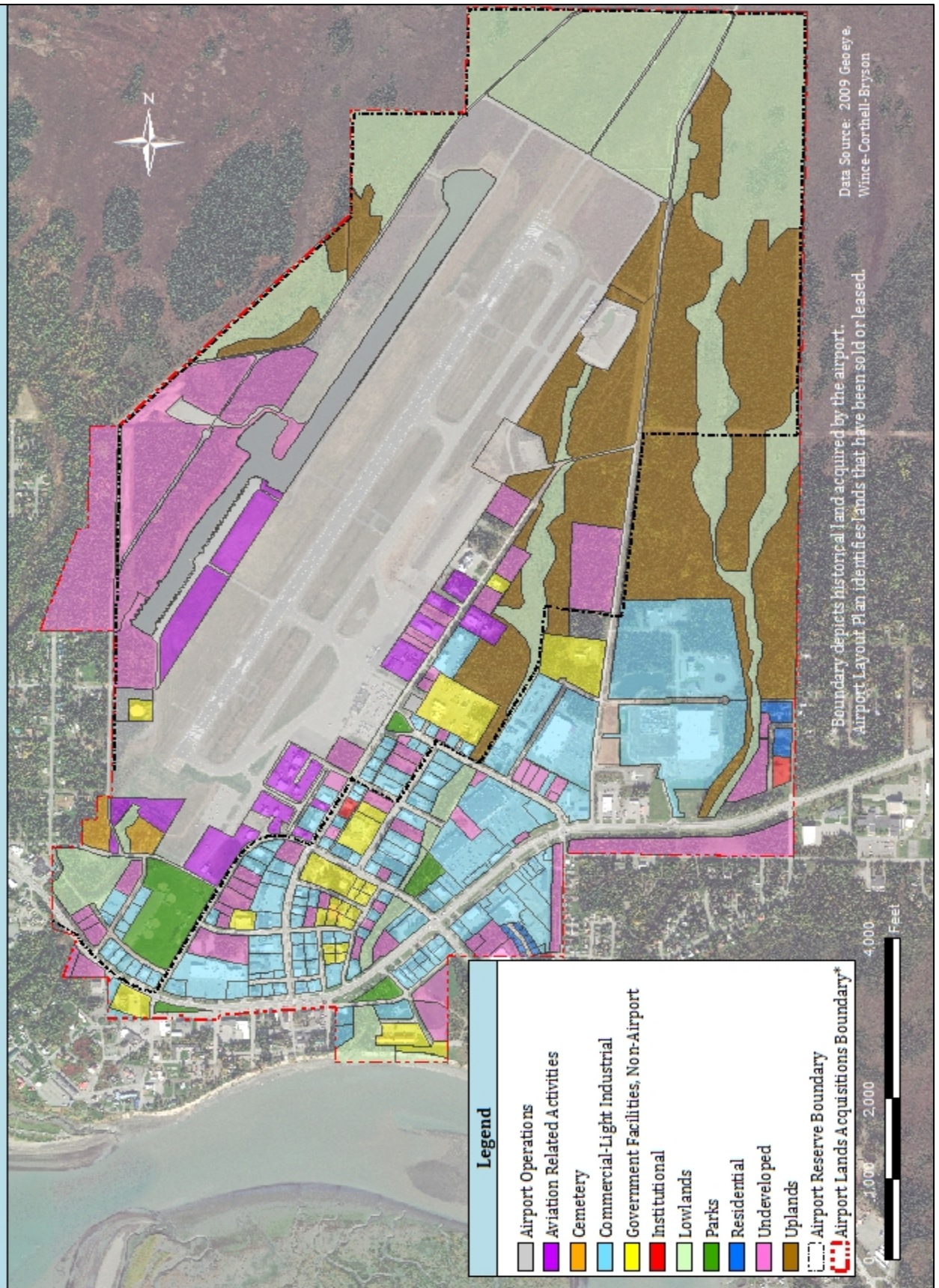
Table 13. Kenai Municipal Airport Historical Enplanement Data, 2000-2011

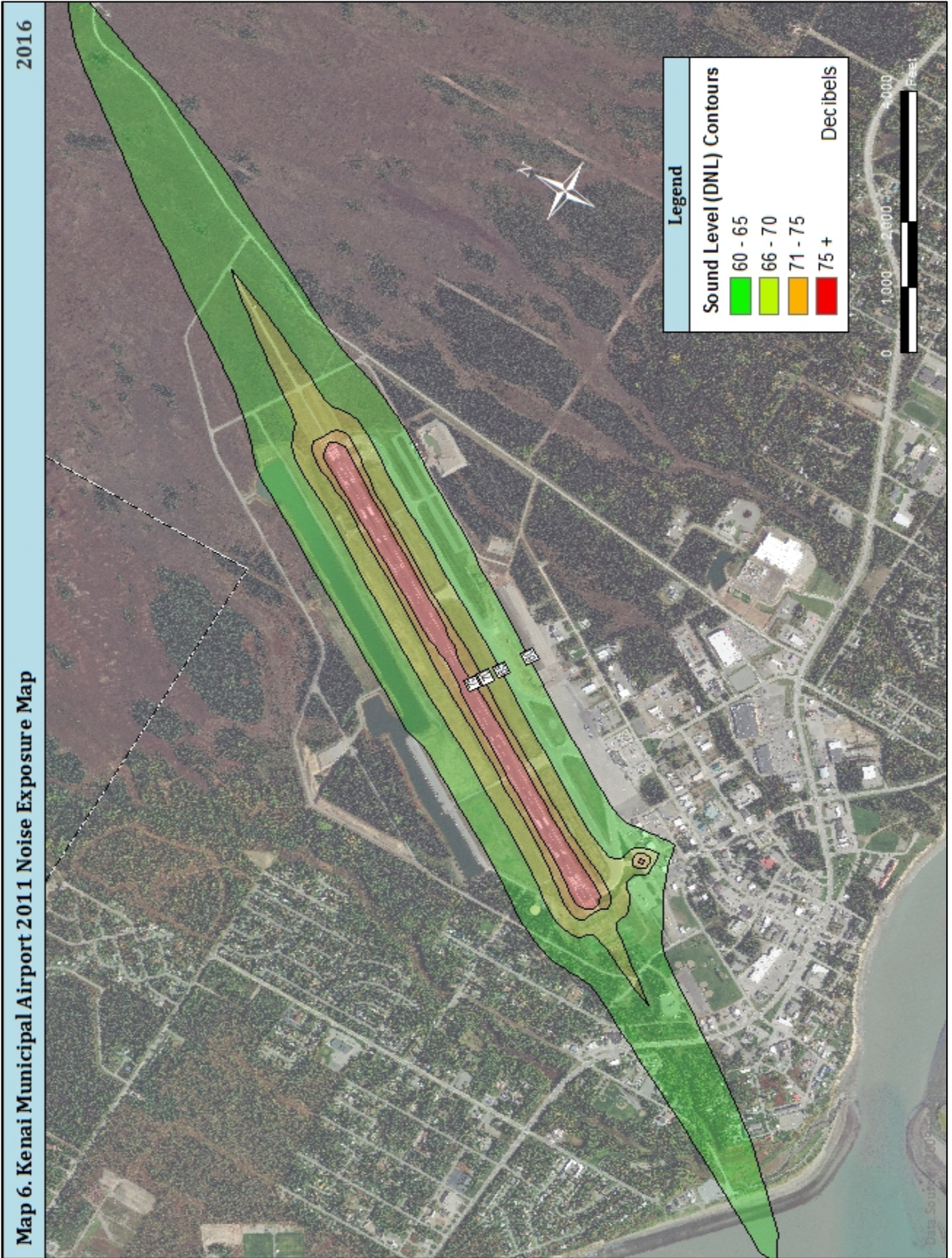
	Total Enplanements by Year
2005	83,523
2006	94,163
2007	96,446
2008	99,884
2009	80,958
2010	89,897
2011	97,041
2012	101,995
2013	103,835
2014	94,877
2015	102,126

Source: Kenai Municipal Airport

Map 5. Kenai Municipal Airport Existing Land Use Map

2016





A study completed in association with the 2005 Kenai Municipal Airport Supplemental Planning Assessment found that the airport had a considerable impact on the local economy (City of Kenai 2005b). This study estimated that the airport generated 533 full time jobs in 2004, including 318 direct jobs and 215 indirect and induced jobs.¹² Also during 2004, the airport and generated a payroll of nearly \$25 million and \$44 million in business revenue (direct, indirect and induced payroll and revenue).

Kenai Boating Facility: The City has authority to plan for waterfront development; own, lease or manage waterfront property; raise funds; and exercise financial control over the port. The Department of Public Works operates the Kenai Boating Facility and coordinates its use by fish processors/ leaseholders, independent fish processors, public users, and commercial, recreational and dipnet fishermen. The dock is mainly leased for commercial fishing vessel use, while the boat launching ramp is one of the area's most popular launching facilities during the dipnet fishery. In addition to the boat launch ramps, there are public restrooms and fresh water available. The City leases a fueling facility and gasoline and diesel are available.

4.5.4 Parks and Recreation



The Parks and Recreation Department manages over 358 acres in its park and open space system (City of Kenai 2011a). The Department provides a wide array of services, including seasonal recreation programs, city parks, beautification of city streets and parks, 3.2 miles of groomed Nordic ski trails and 2.5 miles of pedestrian trails. The City leases 120 acres for an 18-hole golf course that is privately operated.

Through a partnership with the City, the Boys and Girls Club operates a 17,700 square foot recreation center which provides numerous activities for the citizens of Kenai. In addition, the Department provides support for the annual personal use fishery, provides an area for community gardens, and manages volunteer programs, such as the Adopt-a-Park program. Other than the neighborhood parks category, the City far exceeds the National Recreation and Park Association guidelines for parks and open space acreage.

¹² The jobs, payroll and business revenue figures include those generated by the airport as well as by visitors who travel to and from Kenai by plane. Impacts to aviation-related businesses result in direct economic impacts, re-spending in the local economy by local airport related business results in indirect impacts, and re-spending of wages from airport-related income results in induced economic impacts.



Gazebo at Field of Flowers

The goal of the Parks and Recreation Department is: *To enhance the quality of life for all citizens through park facilities, programs, and community services.* The Department's goals and objectives are outlined in its 2010 5-year plan which was prepared with assistance from the Parks and Recreation Commission. The plan includes core principles and priorities for maintenance, safety upgrades, park development, and creation of a tent campground (City of Kenai 2011).

Presently, the City is completing a study and design to expand the Multi-Purpose Facility to include the construction of an indoor turf field. A 7-member Parks and Recreation Commission and a 7-member Beautification Committee provides advice to the Department. The Department also maintains landscaping for street and highway rights-of-way.



Daubenspeck Family Park

Table 14 lists the City of Kenai's numerous parks and open space, acreage/size, and key features. The list includes Kenai community and school parks, neighborhood parks, special purpose areas, and natural open spaces.

Table 14. City of Kenai Parks and Open Space		
Community Parks & Schools	Acres	Description
Kenai Municipal Park	45.7	Picnic tables, 3 shelters, BBQ grills, basketball & volleyball courts, ball fields, picnic shelter, picnic sites, observation deck, beach access trail, restroom facilities, and playground
Kenai Park Strip	18.9	4 sports fields with bleachers, dugouts, playground, shelter, picnic tables, BBQ grills, community garden area, and restroom facilities
Beaver Creek Park	5.2	Shelter, picnic table, BBQ grill, basketball court, playground, turf field, and restroom facilities
Daubenspeck Family Park	7.5	Beach/swimming area, 2 shelters, picnic tables, trails, horseshoe pit, winter ice skating, dog retrieval area, and restroom facilities
Kenai Middle School	n/a	
Kenai Central High School	n/a	
Subtotal	77.3	
Neighborhood Parks & Schools	Acres	Description
Elson Rest Stop	0.7	Picnic area and rest stop donated to the City in 2005
Old Town Park	0.4	Playground, shelter, basketball court, turf areas & BBQ grill
Fourth Avenue Park	3.8	Playground, basketball court, shelter, baseball field, & BBQ grill
Aurora Borealis Charter School	n/a ¹³	
Kaleidoscope School	n/a	
Mt. View Elementary School	n/a	
Subtotal	4.9	
Open Space & Natural Areas	Acres	Description
Blue Star Memorial Greenstrip	1.0	Picnic table and memorial
Airport Triangle Greenstrip	0.8	Vintage Air Force jet and flag poles
Benco Building Greenstrip	0.3	Open space natural area
Scenic Bluff Overlook	1.0	Gazebo, picnic tables, and interpretive signs (historic site)
Millennium Square FAA Fields	6.3	2 soccer fields
Bernie Huss Trail	3.8	Wooded area with 0.4 mile trail, footbridge & 9-hole disc golf course
Kenai Flats Wildlife Viewing Area	17.9	Boardwalk, viewing scope and interpretive display adjacent to the Bridge Access Road

¹³ Acreage is not provided for school facilities because they are not managed by the Parks and Recreation Department.

Table 14. City of Kenai Parks and Open Space		
Wildlife Viewing Platform Area	4.8	Elevated viewing platform with viewing scope off of Boat Launch Road
North Beach Dunes	20.0	2 elevated stairways with post/chain fence to protect dunes and restroom facilities
South Beach Dunes	20.0	Post-chain fence to protect dunes on south side of River
Subtotal	75.8	
Special Purpose Areas	Acres	Description
East Kenai Park Trails	15.5	18-hole disc golf course. 0.75 mile trails, bench
Leif Hansen Memorial Park	3.5	Community memorial park with a gazebo, benches, water fountain, veteran's and mariner's memorial, town clock, gardens, and picnic tables
Erik Hansen Scout Park	6.4	Benches, viewing scope, memorial & interpretive displays
Kenai Sports Complex	24.0	Picnic tables, BBQ grills and 4 regulation size soccer fields
Kenai Cemetery	3.5	Gazebo and benches
Multi-Purpose Facility	7.3	Bleachers, 5 warming shacks, winter and summer ice, and vendor space (leased)
Kenai Recreation Center	1.7	Gymnasium, 3 racquetball courts, teen center (operated by the Boys and Girls Club), weight room, cardio room
Cunningham Park	2.2	Bank fishing, boardwalk, benches, picnic table and restroom facility
Kenai Golf Course	119.7	Full service 18-hole golf course (privately operated)
Oiler Baseball Field	10.0	Baseball field and complex leased from the City
Public Dock	12.1	170' dock, gangways, float, 4 launch ramps, cranes, and restroom facilities and showers
Subtotal	200	
Total Acreage	358	Acreage managed by the Parks & Recreation Department

In 2015 the City Council established the Kenai Outdoor Opportunity Location (KOOL) Subcommittee. The subcommittee was given the task of putting together a Feasibility Study to look at the opportunities and costs to expand and/or create a new park designed to host current and future public events. In March of 2016 the KOOL Subcommittee presented its findings to the City Council at a Work Session. The KOOL Subcommittee recommended that a portion of Millennium Square (see Section 5.4.1.1) be constructed to house the proposed event park. The Subcommittee also further recommended that this park could be constructed over four phases. For further information, please see the 2016 KOOL Subcommittee Feasibility Report:

(http://www.ci.kenai.ak.us/sites/default/files/commissions_committees/KOOL_Presentation.pdf).

4.5.5 Senior Citizen Facilities and Services

In response to a growing senior population, the City has actively sought to address the needs of its older residents. The City owns and operates the very successful and popular Kenai Senior Center and Kenai Senior Congregate Housing complex. Staffing for the facilities is provided by 11 employees. A seven-member Council on Aging provides advice to the City Council on senior issues.

The Senior Center is a community focal point where older adults come together for fellowship and enjoy activities with their peers. The Senior Citizens Department provides senior services, including congregate meals, transportation, personal advocacy, activities, and housing assistance. Under the Title III program, the Center serves the City of Kenai, Salamatof, Kalifornsky Beach, Cohoe, Kasilof, and Clam Gulch. The programs provided serve seniors aged 60 and older from all walks of life. The Center's service area serves 26% of the total population aged 60 and above in the Kenai Peninsula Borough.

The Congregate Housing Facility complex comprises the core of an emergent "area of opportunity" for more senior-oriented facilities and services. The 40-unit 40,450 square foot facility was built in 1992 with additions in 1996. The City established an enterprise fund to account for the financing of the Congregate Housing Facility.

The Alaska Department of Labor and Workforce Development (ADOLWD) projects continued increases in the senior population on the Kenai Peninsula. By 2045, the percentage of people age 65 or older is projected at 21% of the borough's population. The number of seniors living in Kenai is likely to increase at the same rate.



The American Association of Retired Persons (AARP) concludes that older adults will stay longer in the workforce, continue to be consumers, volunteer, are entrepreneurs in our communities, homeowners, and investors. This means that planning for seniors is critical: housing, transportation, health, public safety, arts and education, parks and recreation, and economic development/fiscal impacts.

Kenai values its seniors – not just as an age cohort on a graph, but as contributing members of the community – as workers, consumers, volunteers, investors, entrepreneurs, family, and leaders. Meeting the needs of seniors is a matter of community concern so long-term residents can continue to live comfortably in Kenai. Seniors have a broad range of housing and service needs. Some need ready access to health care and some cope with mobility limitations. Of particular interest to Kenai's senior population is improved pedestrian circulation (safer walk signals, separated walking paths, snow-cleared walkways) in the central area of town. While the City itself has limited resources to dedicate to programs for seniors, it can, play a decisive role by advocating and facilitating initiatives by other public and private entities. Funding for the Senior Center is provided through the City of Kenai, State of Alaska Department of Senior and Disabilities Services, Kenai Peninsula Borough, United Way, USDA, program income, private donations, center rentals and fundraising.

In 2013 Charis Place, developed by Hall Quality Builders opened on Forest Drive as a new assisted living facility in Kenai. The new facility consists of 21 apartment suites, each 320 square feet in size. As of 2016, a second addition to the Charis Place assisted living facility is currently being constructed, consisting of an additional 21 apartment suites. The development by Hall Quality Builders in Kenai, further demonstrates the importance and continued growth of the elders in the Kenai Community.

4.5.6 Kenai Community Library

The Kenai Community Library has continually responded to public needs since its humble beginnings in the halls of the Territorial School Building in 1949. The construction of a new 5,000 square foot facility located on Main Street Loop in 1976 made the library more visible, easier to use and a more pleasant place to visit. In 1986, an additional, 5,000 square foot addition added four sound proof rooms, a closed stack area and activity room.



The library catalog and circulation system were automated in 1987, and in 2000 the library website was created allowing users to access the library catalog from home (<http://www.kenailibrary.org>). The June 2011 completion of the library expansion doubled the size of the building to approximately 20,000 square feet. The new facility includes more seating for adults, a fireplace, a separate children's room, study rooms, a conference room, and two meeting rooms. With two entrances, the library now provides access to more parking spaces and better access to City Hall.

Library staff and volunteers provide a variety of programs of interest to patrons of all ages. Of interest to adults with children are the weekly story times, summer reading program, and weekly Lego Club. The library now has a dedicated area with teen-oriented activities. Adult programming includes a Book Club, the Writer's Group, and the Totem Tracers Genealogical Society group. Computers in the children's room access fun learning programs.

The library collection includes approximately 80,000 books, periodicals, videos, audiotapes, music CDs, DVDs and reference materials. Several special collections include Alaskan, Alaska State documents, genealogy, core collections of mental health and consumer health information, large print books, and books on CD. Several Alaska newspapers are received on a daily basis as well as the Sunday editions of the New York Times and the Seattle Times. The Alaska Digital Pipeline link provides access to full-text newspapers, journal articles, TV and radio transcripts and other reference materials. The library provides access to the Alaska Digital Library allowing patrons to download audio books and e-books as well as access to Mango, an online language learning program.

The library is open 60 hours per week with 5 full-time and 6 part-time employees that assist almost 12,000 registered users. Eight computers are available for patrons to access the internet, electronic databases, City of Kenai municipal codes and government sites. A grant from the Rasmuson Foundation enabled the library to offer in-house lending of laptops to reduce waiting time for computer use and provide more flexibility. The library has a dedicated Rosetta Stone station for the study of foreign languages.

4.5.7 Other Services

The City's Building Department maintains city buildings and performs several administrative functions, including plan review, inspection, record keeping, and permit issuance.



Fishing Boat Displayed at the Kenai Visitors and Cultural Center

The City built a visitor and cultural center in 1992 to encourage tourism in Kenai. The 10,000 square foot facility is operated by Kenai Chamber of Commerce and Visitors Center, Inc. through a facilities-management agreement with the City.¹⁴ The Center houses a permanent collection of historic artifacts, wildlife exhibits and a gift shop.

The City leases land for a nominal fee to support organizations such as the Kenai Chamber of Commerce and Visitors Center Inc., the Peninsula Art Guild, the Kenai Historic Society,

¹⁴ In 2012, the Kenai Convention and Visitors Bureau and the Kenai Chamber of Commerce merged into a single entity called the Kenai Chamber of Commerce and Visitors Center, Inc.

Peninsula Oilers Baseball Club, Inc., Women's Resource and Crisis Center, and the Alaska Challenger Center.

The City, along with state and federal agencies and nonprofit organizations, provide many community services. The City supports multiple agencies and public activities through grants including: the Kenai Watershed Forum, the Chamber of Commerce and Visitors Center, Boys & Girls Club; Industry Appreciation Day, the Economic Outlook Forum, and Oilers Baseball, to name a few.

Coordinating services to ensure cost-effective and efficient delivery will be important as public dollars' decline. Opportunities to combine services or otherwise improve efficiency, cost-effectiveness, and quality should be identified, explored, and implemented with the appropriate providers.



By state law, the Kenai Peninsula Borough is responsible for local education and property tax assessment and tax collection. The Borough also provides area wide solid waste disposal and emergency management services.

The State of Alaska operates and maintains a number of facilities in Kenai. State roads within the City include the Kenai Spur Highway, Beaver Loop Road, Bridge Access Road, Strawberry Road, and Kalifornsky Beach Road. Other state facilities include the State of Alaska Courthouse, District Attorneys' Office, and Public Defender Agency, Army National Guard Armory, the Kenai Health Center, other social services and employment offices, and, abutting the City, the Wildwood Correctional Facility. There are numerous public recreational lands and facilities owned and operated by the borough, state and federal governments in and near Kenai. Non-city public and private utilities provide electric power, natural gas, solid waste collection, telecommunications, and satellite and cable providers.

4.6 City of Kenai Finances

The City of Kenai continues to maintain an excellent financial condition. The current (FY17) budget projects year-end balances of \$10.0 million (general fund) and \$33.4 million (other governmental funds). Kenai's per capita bonded debt (\$213.40 as of June 30, 2015) is one of the lowest of all Alaskan cities with debt, and well below the statewide municipal average. Kenai's low bonded indebtedness partly reflects a long-standing reluctance to bond for local capital improvements, relying instead on local tax revenues and federal and state grants to fund capital projects.

4.6.1 Expenditures

Development, expansion and maintenance of community facilities and services are fundamental to Kenai's quality of life and to assure positive future growth and a healthy economy. Logical and cost-

effective growth requires adequate infrastructure. The budget planning tool for providing facilities and services, the Capital Improvements Plan (CIP), is one tool to implement the Comprehensive Plan's goals, objectives and strategies. Existing and future business and residential development will be supported and promoted with adequate infrastructure when fiscally responsible. Well-planned community facilities and services improve the quality of community life.

For FY 2017, the City's general fund operating expenditures of \$15.4 million were allocated as follows: Public Safety (47.2%), General Government (18.4%), Public Works (15.5%), Parks, Recreation and Cultural Services (15.1%), Senior Citizen Programs (1.0%), Debt Service (0.9%), and Capital Projects (1.9%). Special revenue funds of \$8.1million went for the Airport Fund (35.2%), Water and Sewer Fund (30.2%), Airport Land Sales Permanent Fund (14.6%), the Senior Citizen Fund (11.1 %), General Land Sales Permanent Fund (1.8%), and Personal Use Fishery Fund (7.1%).

4.6.2 Revenues

Kenai levies a sales tax (3% in FY 2017) and property tax (4.35 mills in FY 2017). In FY 2015, sales taxes accounted for 41.6% of city-levied General Fund revenues, and property taxes for 20.1%. Several city services (water and sewer, airport) are funded wholly or partly by user revenues.

4.7 Forecast of Economy, Population and Housing Demand

Modest economic growth and population increase is expected for the City of Kenai and the Kenai Peninsula as a whole for the next 10-15 years (KPEDD 2016). The City's population rate has slowed to a less than one percent yearly increase since 1990. Similarly, the region's basic economic sectors – energy industry, fishing/fish processing, and tourism – have experienced moderate growth.

However, as the region grows, Kenai can be expected to continue its role as a trade and services center for the western Kenai Peninsula. Consistent with these economic assumptions, the modest population growth that the City of Kenai has seen in recent years will most likely continue for the foreseeable future.



Leif Hansen Memorial Park Clock Tower

A significant discovery of oil and gas reserves could improve the economic outlook of the region. This prospect is possible considering the increase in estimated oil and gas reserves in the Cook Inlet Basin and recent gas development wells within the city boundaries. Increased interest in mining and exploration could also stimulate the local economy. Increased industrial activities to support an Alaska LNG project must also be considered in evaluating the rate used to forecast growth.

Assuming the City of Kenai population will increase at an annual average rate of 0.8%, the population could increase from 7,229 in 2015 to 8,385 in 2035. This increase in population is significantly less than what was forecast in the 2003 comprehensive plan.¹⁵

The addition of potentially 1,156 new residents by the year 2035 may result in the demand for as many as 900-1,000 additional dwelling units. If actual growth substantially exceeds or lags estimated growth, then population-based

decisions about city development priorities can be adjusted accordingly.

Of particular interest to planning for housing needs will be the forecasted increase in senior population (age groups 65 and older). According to KPEDD, by 2027 it is projected that 14,800 people (23%) will be over 65. This shift in population age affects housing demand, private and public services, health care needs, education needs, transportation modes, and commercial services.

Table 15 describes a comparison of estimated demand for residential, commercial, and industrial land uses with the acreage of vacant land zoned for each of these uses. Future demand was based on Kenai's current population and current land use patterns. A future study could be considered to conduct a market analysis of land demand working with the City, Kenai Peninsula Borough and private land owners to further evaluate land use demand. This estimate does not include other private uses or public uses.

¹⁵ In the 2003 Comprehensive Plan, the population of the City of Kenai was estimated to grow by about 35% between 2000 and 2020.

Table 15: Current & Future Land Use Demand

Type of Use	2016 Acreage		2030 Estimated Acreage		
	Developed	Vacant		Developed	Vacant
Commercial	522	508		564	914
Industrial	849	370		1,328	666
Residential	1,642	3,270		2956	3532

Note: The estimated future demand was calculated assuming an annual growth rate of 0.8%. The Commercial category includes: Central Commercial, General Commercial, Limited Commercial and Central Mixed Use Zones. The industrial category includes: Light Industrial, Heavy Industrial and Airport Industrial zones. Residential includes all residential zones and Townsite Historic zones. These figures represent developable land and exclude acreage that cannot be developed, such as wetlands. The projected demands in the table are based on existing zoning.

Chapter 5: Land Use Plan

The Comprehensive Plan and its subset, the Land Use Plan, provide the City of Kenai with the ability to frame future planning choices that support the community's vision. The broad purpose of the Land Use Plan is to ensure an adequate supply of land that:

- Offers a reasonable choice of suitable locations for all essential uses,
- Separates incompatible uses,
- Can be efficiently served with public roads, utilities and services,
- Maintains the quality of existing development, and
- Creates a stable, predictable setting for future investment.

With sound land use planning, Kenai can meet the needs of settlement, accommodate new growth, and improve the quality of the already-built community without compromising its natural setting.

The Land Use Plan classifications, the Land Use Map, land use patterns and ownership and how this information is used in planning decisions are described in the following sections.

5.1 Land Use Classifications and Land Use Maps

The Land Use Plan describes the City's vision of a generalized desirable pattern of land uses. The Land Use Plan defines the variety of land use types and maps the pattern or distribution of the types. The Land Use Plan does not regulate land use; it is not a zoning ordinance.

The Land Use Plan Map (Map 7) is a generalized description of the spatial distribution of land uses inside the City of Kenai. The Land Use Map is not the Official Zoning Map. Any changes to the Official Zoning Ordinance or Official Map, future comprehensive plan amendments, and subdivision approvals are to be consistent with the Land Use Plan and Land Use Map pursuant to Alaska State Law.

In 2011, the Planning and Zoning Commission reviewed the land use classifications for all areas in the City of Kenai and a revised land use map was approved as an update to the Comprehensive Plan. This 2011 map forms the basis for the 2016 Land Use Map.

Table 16 defines the intent for each of the land use classifications. Each classification describes the types of land use considered generally appropriate or compatible. The land use classifications are not zoning designations.

Table 16. Land Use Plan Classifications**Suburban Residential (SR) Land Use Classification**

Suburban Residential is intended for single-family and multi-family residential uses that are urban or suburban in character. The area will typically be developed at a higher density; lots are typically smaller; and, public water and sewer services are required or planned. Some developments may be required to construct streets to a paved standard and larger subdivisions may be required to provide sidewalks and public areas. Parks and open space land uses may be considered appropriate.

Low Density Residential (LDR) Land Use Classification

Low Density Residential because of location or poor site conditions is intended for large-lot single-family low-density residential development. The area will typically be developed with individual on-site water supply and wastewater disposal systems. Streets will typically be constructed to rural street standards (i.e., gravel) and sidewalks will not be typically included in the subdivision design. Rural Residential becomes Low Density Residential to avoid confusion with zoning category.

Commercial Land Use Classifications – General Commercial (GC) and Central Commercial (CC)

General Commercial is intended for retail, service, and office businesses that serve Kenai and the larger region. General Commercial is appropriate for locations along the arterial road system. General Commercial-type development requires larger parcels of land and access to a major road system. It is also intended to support smaller-scale businesses.

Central Commercial is intended for retail, service, and office businesses at a more compact and denser scale; locations are accessible and convenient to both motorists and pedestrians. Central Commercial-type development is particularly desirable in the Townsite Historic District and adjacent core area. Residences may be appropriate among commercial uses in these central areas. Non-commercial uses such as public offices, institutional uses and residences may be appropriate among commercial uses. Central Commercial may also apply at locations that have evolved into new Kenai commercial “centers” that are developed at a small to medium scale.

Buffers or buffer zones between commercial uses and adjacent non-commercial uses are desirable.

Mixed Use (MU) Land Use Classification

Mixed use is intended for a compatible mix of residential, retail, service, office, public, institutional and recreational uses. Uses are co-located in an integrated way that supports sustainable forms of transport such as public transport, walking and biking, and increases neighborhood amenities. Compatibility issues are addressed through careful site layout and building design.

Use of buffers may desirable.

Industrial Land Use Classifications – Industrial (IN) and Airport Industrial (AI)

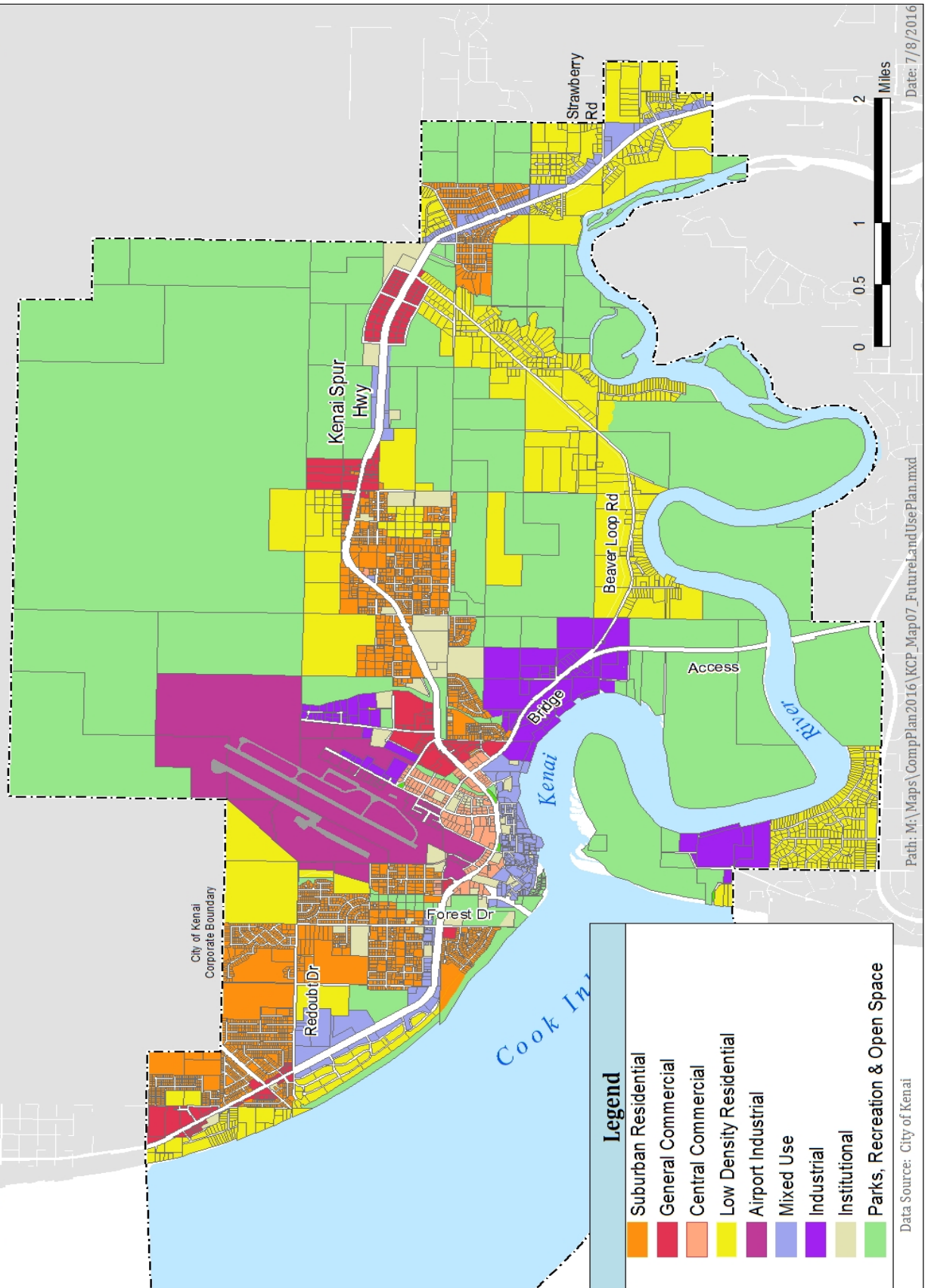
Industrial is intended for a variety of light and heavy industrial uses such as: warehousing, trucking, packaging, distribution, production, manufacturing, processing, marine-related industry and storage, and similar industrial activities. Public water and sewer; utilities; and safe, convenient vehicular access are required or planned. Because uses generate noise, odors and emissions typically at a higher level than other land uses, measures should be taken to minimize conflicts with adjacent non-industrial uses. Buffers between industrial uses and adjacent non-industrial uses are desirable.

Airport Industrial is intended to support continued development at the Kenai Municipal Airport. It is intended for those lands reserved for the airport and its future expansion are included in this classification. Residential uses may be considered appropriate provided the residential use is associated with and secondary to the primary industrial use.

Institutional (ITL) Land Use Classification
<p>Institutional is intended to provide an area in which government and tax exempt institutions can offer social and cultural amenities to the citizens of the community. The primary use is public, non-profit, and quasi-public uses including government offices and facilities, schools, churches, and other community-service oriented facilities</p>
Parks, Recreation and Open Space (PROS) Land Use Classification
<p>Parks, Recreation and Open Space is intended for those public recreation facilities, as well as undeveloped lands that provide for the conservation of natural or scenic resources. These areas can be used for a variety of passive and active outdoor and indoor sports and recreational activities. Areas that may be suitable for future natural resource development may be included in this category.</p> <p>Buffers or buffer zones are desirable use of open space.</p>

2016

Map 7. Land Use Plan



5.2 Existing Land Use and Ownership Patterns

This section describes the major land uses and ownership patterns in the City and some of the opportunities and challenges for these areas. This discussion provides background for the issues, goals and objectives in Chapter 6.

Kenai's land use pattern has been shaped by a combination of local natural features (Kenai River, wetlands, and floodplains), history, transportation improvements, and an ample supply of privately-owned vacant land that is suitable for development.

The historic townsite was constructed in a strategic area overlooking the mouth of the Kenai River. As the town developed, wetland and floodplain conditions strongly influenced the location of road corridors and settlement areas. War-time construction of the airport just north of the original townsite limited opportunities to expand what would be a logical expansion of the city center.

In response to physical constraints in the townsite, Kenai's core business area developed east and west along the Kenai Spur Highway. Transportation improvements such as the construction of the Warren Ames Memorial Bridge/Bridge Access Road gave the Kalifornsky Beach area south of the Kenai River a road connection to the rest of the City and spurred development. Maps 8 and 9 (Wetlands/Floodplains and Land Ownership) illustrate the land use patterns that have resulted from the interplay of Kenai's site characteristics and development history.

Kenai is fortunate to have an ample inventory of privately owned, vacant land suited for future demands. Kenai encompasses approximately 28.5 square miles and includes 18,207 acres of land and water. As of 2016, approximately 20% (3,719 acres) of land inside the city was either privately or publicly developed. Approximately 14,607 acres lie undeveloped, or in some cases, vacant.¹⁶ Much of the vacant land is either unsuitable for development (soils, slope, drainage, wetlands or floodplains) or is publicly owned (city, borough, state or federal) and not available for private development. The publicly-owned lands have significant habitat, scenic, recreational and natural open space values.



Today, emerging land use patterns include the following key features:

- Physical development has been in response to local physical constraints.

¹⁶ For purposes of determining development, parcels with improvements valued at \$10,000 or more were considered developed parcels.

- The location of developable land combined with road corridors has produced a linear city form in Kenai with a very high ratio of highway road frontage to settled area.
- The main road corridors in the community, such as the Kenai Spur Highway, Beaver Loop Road, and Kalifornsky Beach Road, follow well-drained developable uplands.
- Residential development is dispersed along the main road routes in several urban and semi-suburban neighborhoods defined by natural features and transportation access.
- Commercial growth has occurred primarily in a linear pattern along the Kenai Spur Highway and the Bridge Access Road.
- There are multiple commercial centers emerging in Kenai: downtown core area and several spots along the state highway.
- Small-scale commercial development has emerged at several spots along the highway and along secondary state roads.
- For the most part, developing areas have made use of underused, already-in-place (or nearby) facilities such as roads, water and sewer, fire/EMS. Basic public facilities and services are required for residential, commercial, and industrial uses and currently are provided at levels acceptable to most residents.
- Most undeveloped land in the City is wetlands or floodplains, with low development potential but high value as habitat, natural areas, or open space. Most of these lands are also publicly owned.

5.2.1 Challenges and Opportunities

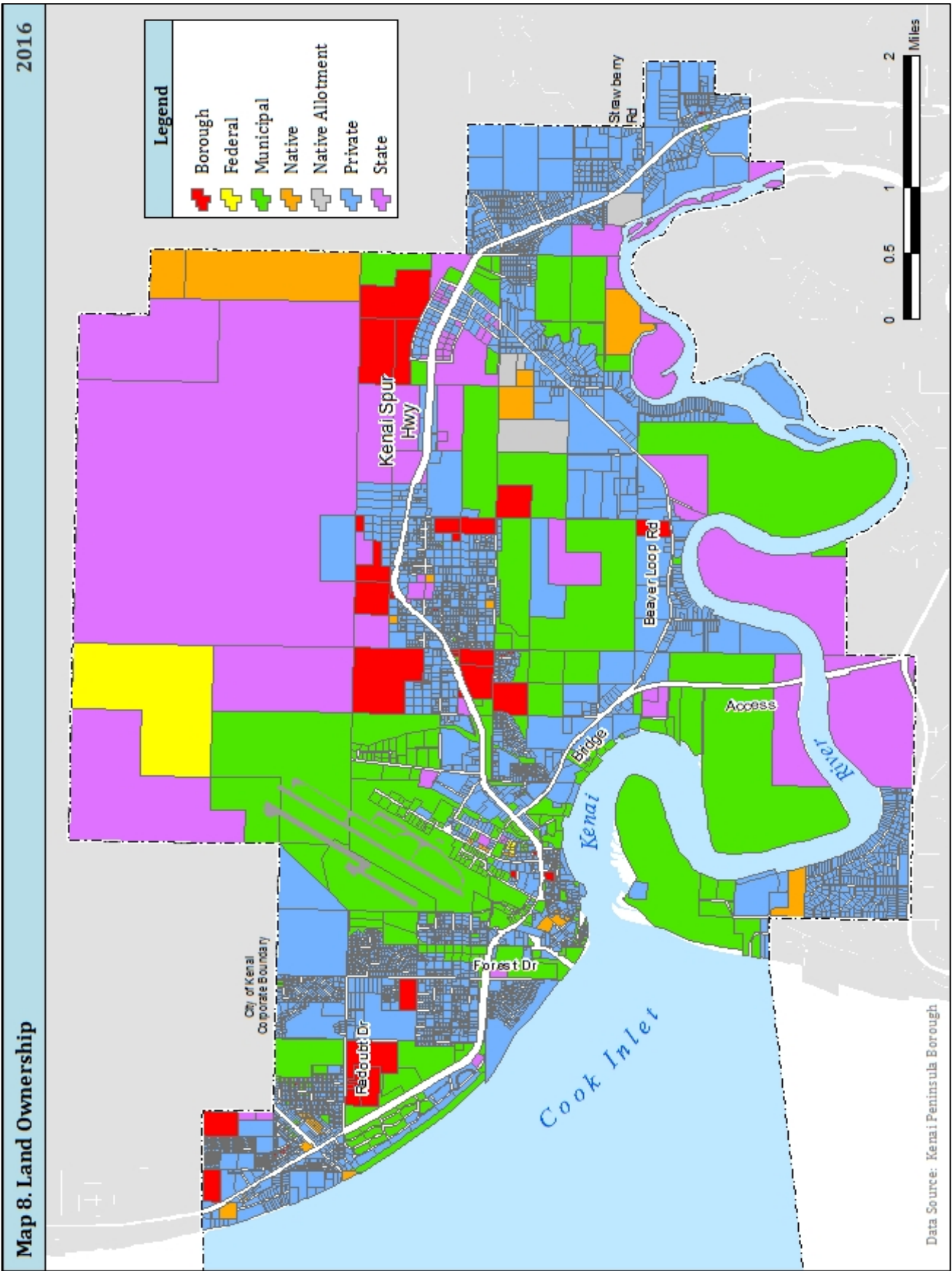
Highway-oriented, auto-dependent commercial development along the highway continues to stimulate discussion by city leaders, businesses, and residents. As Kenai has grown in response to physical conditions and transportation improvements, development has spread out.

Commercial/retail developments with large parking lots result. This linear pattern makes it unsafe and inconvenient to move among businesses without driving from one business to another. Local traffic is forced to use the major roads/highway to move between parts of the city. The highway was built primarily to carry traffic at moderate to high speeds between Kenai and other cities and areas of the borough. Increase in traffic congestion along the major roads conflicts with this intended highway function.

Commercial services, organized in this fashion, are also very difficult, if not impossible, to access by foot. As Kenai plans for the future, the transportation system will need to account for a variety of city residents such as people that do not drive, including younger and older populations and lower-income residents, who have very limited means to get to around Kenai for goods and services.

Contiguous development near existing services makes the best use of public development expenditures. Contiguous development patterns end up costing the city less to serve than dispersed development. For example, utility costs increase as the separation between developments increases. Costs likewise increase as the distance from the existing service hook-ups increases.

There are opportunities to promote, where feasible, infill and the reuse of vacant or underused commercial and industrial properties with existing infrastructure. Infill and reuse is generally more economical than development that requires new infrastructure. There may be a variety of financing arrangement, such as a Local Improvement District, that can be used to encourage more compact development at the multiple city “centers” currently emerging in Kenai.



5.3 Land Ownership

About 64% of the land in the City of Kenai is government owned (city, borough, state, and federal), about 32% is in private ownership, and 3.1% is in Native ownership. Table 17 and Map 8 illustrate land ownership patterns in the City.



Table 17. City of Kenai Land Ownership, 2016

Owner	# Acres	Percent
State	5,830	32.02
Private	5,343	29.34
Municipal	5,055	27.76
Borough	794	4.36
Native	563	3.09
Federal	483	2.65
Native Allotment	140	0.77
	18,207	

Source: City of Kenai, 2016

5.3.1 Suitability for Development

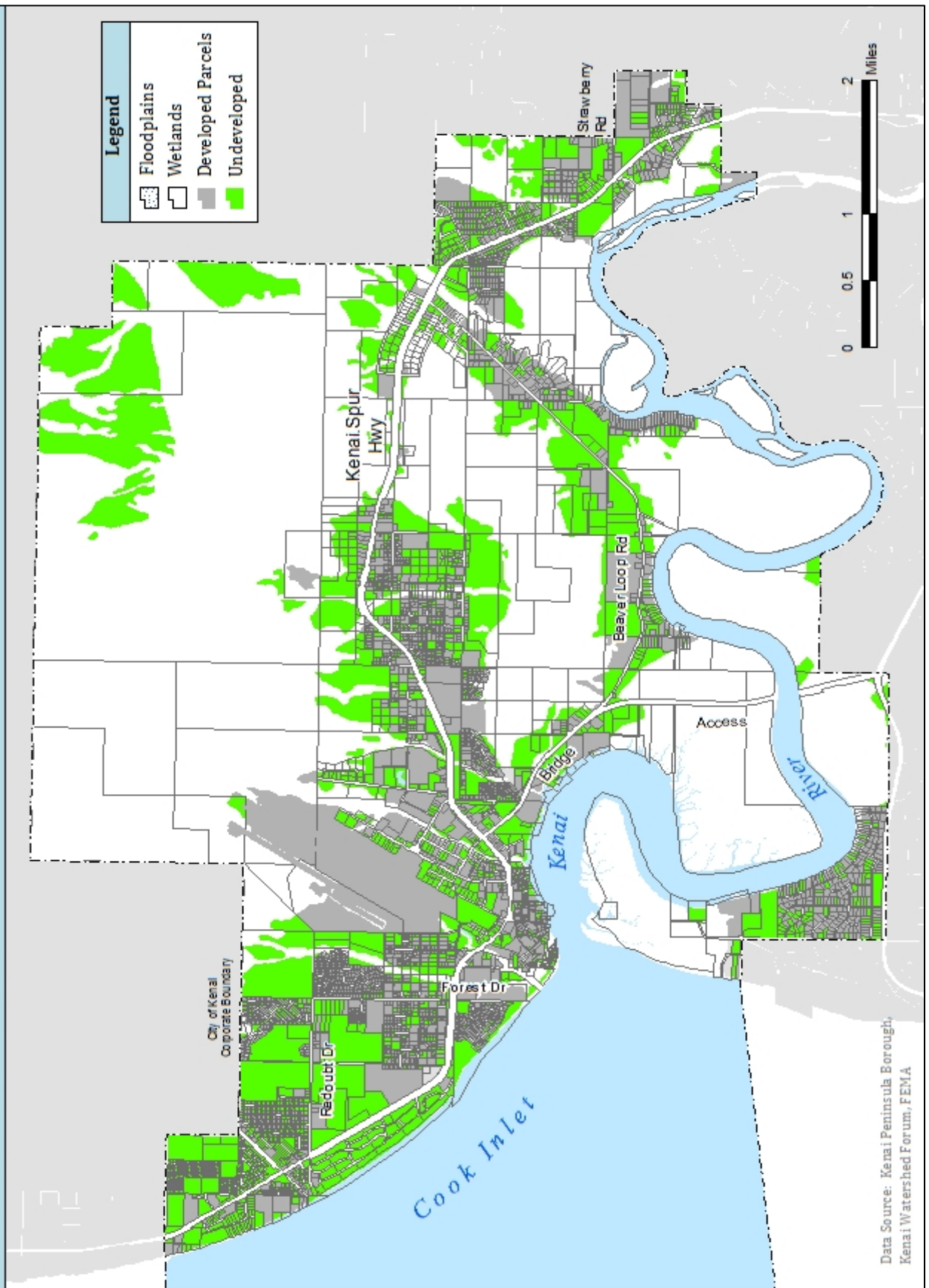
Local natural features have greatly influenced the settlement patterns in the community with most development occurring on well-drained sites along highway corridors. Kenai has a variety of lands that are appropriate for development. There are approximately 18,207 acres of land in Kenai and about 3,719 acres are already developed.¹⁷ Another approximately 4,215 acres are vacant. Approximately 50% of vacant land is in private ownership, outside of wetlands and floodplains, and may be suitable for development (Map 9). Physical conditions (slope, soils, drainage, etc.) and access may limit development in some areas.

Of the approximate 12,000 acres of publicly owned land forming Kenai's land base, about 11,123 acres, is classified as wetlands or floodplains. The wetlands are concentrated north of the developed Kenai Spur Highway corridor, north and south of Beaver Loop Road and along the Kenai River. The floodplains are situated along the Kenai River and minimal development has occurred in these areas. While floodplains have limited potential for future development, they have a high value as natural areas and may support some low-impact, low density uses.

¹⁷ Developed acreage was calculated for entire parcels with development valued at \$10,000 or more.

Kenai is fortunate to have an ample inventory of privately owned, vacant land suitable for development. Based on existing development (residential, commercial, and industrial), and the gross supply of undeveloped, privately-owned land, there appears to more than adequate land available for development through 2030.

Map 9. Wetlands and Floodplains



5.4 Land Use Classifications

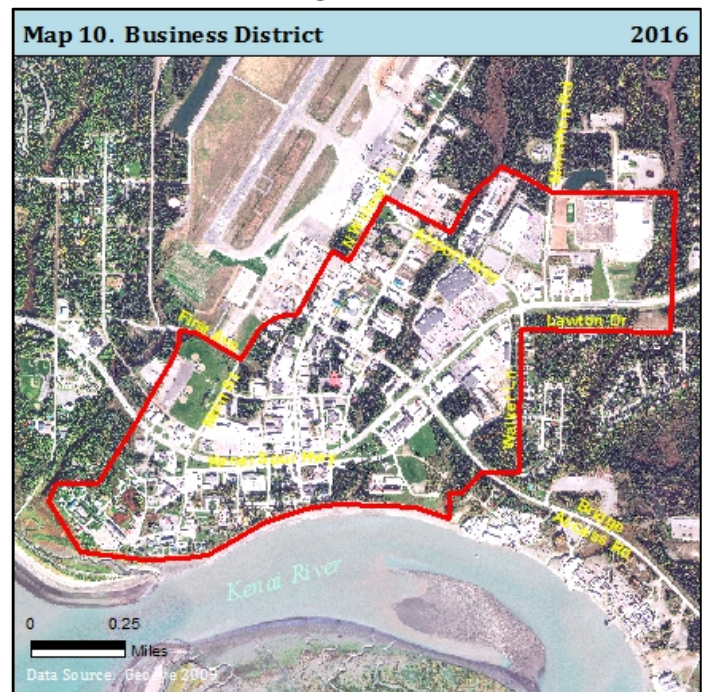
5.4.1 Commercial Land Uses

Kenai's role as a major trade and services center for the Kenai Peninsula generates local investment, employment, and sales tax revenue. Local residents are provided a varied mix of shopping opportunities, however, much of the market base lives outside Kenai city limits.

Commercial land uses dominate the corridor along the Kenai Spur Highway, Bridge Access Road, and in the downtown business district or central commercial area (Map 10). As the City of Kenai commercial areas have shifted east and along the major road corridors, some of Kenai's older business areas are presented with economic challenges. Retail marketing trends, particularly the trend towards big-box retail stores, can displace the sales at existing businesses, which must then downsize/adapt or close.

Residents have also expressed a strong desire for increased occupancy and improvements to the appearance of older commercial buildings.

The Land Use Plan identifies two types of commercial land uses: (1) General Commercial (GC) and (2) Central Commercial (CC). The General Commercial land uses are typically retail, service, and office businesses that serve Kenai and the larger region. This type of development typically requires larger parcels of land and access to major arterial road systems.

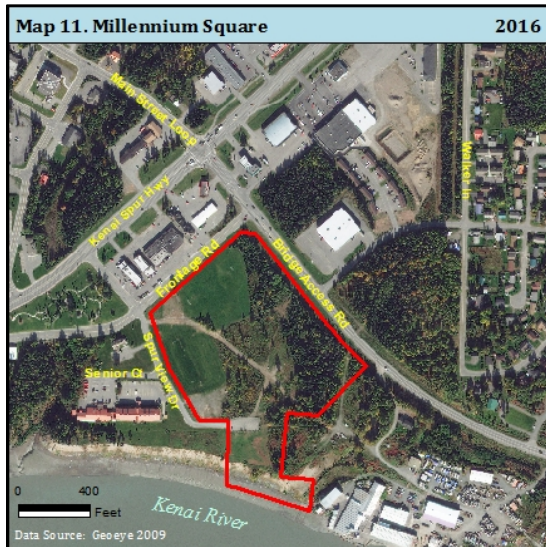


Central Commercial land uses are typically retail, service, and office businesses developed at a more compact and denser scale; locations are accessible and convenient to both motorists and pedestrians; and, residences may be appropriate. These uses can be found in the downtown core area, Townsite Historic District, and specific areas of along the Kenai Spur Highway and the mostly undeveloped area adjacent to the Bridge Access Road and the Spur Highway known as Millennium Square (Map 14).

Central commercial replaces the former “mixed use” classification where it was applied to the downtown core area. It includes other “centers” with existing commercial uses or the sites are zoned commercial.

5.4.1.1 Millennium Square

Millennium Square (Map 11), formerly known as the Daubenspeck Tract, encompasses several irregularly shaped parcels totaling over 21 acres. Millennium Square is the last large city-owned parcel of undeveloped land in the city’s downtown core overlooking the Kenai River. The site provides multiple opportunities for development. Refer to the 2006 KEDS vision and conceptual drawings for detail.



5.4.1.2 Kenai Townsite Historic District

The City of Kenai created the Kenai Townsite Historic District in 1993 (Map 15), comprised of 34 properties in the traditional townsite located on the bluff above the Kenai River.



While locally significant, the townsite does not meet the standards for a National Register Historic District (Elliott 1996). The Church of the Assumption of the Virgin Mary, however, is listed on the National Register of Historic Places, and other properties in the Historic District may qualify for listing.



The district's buildings span Kenai's evolution from its origin as a Dena'ina village through the Russian settlement period to today's mix of old and new buildings. Unfortunately, many of the district's oldest, most of the historical structures have been lost to fire, demolition, or neglect before the City created a special zoning district and ordinance to conserve the old townsite. The purpose of the historic district is to manage new development and building alterations to protect and enhance the district's historic character. All construction in the district is reviewed for compliance with development criteria established by the 1993 ordinance. Residential and business uses are regarded as desirable and compatible mixed uses in this district.

The City of Kenai continues to collaborate with the U.S. Army Corps of Engineers to identify solutions for addressing ongoing bluff erosion.

During development of the Draft 2013 Plan, the Kenaitze Indian Tribe expressed an interest in developing a program to document the Dena'ina place names in the Historic District and other areas of the community. Such an initiative would provide a valuable addition to the Historic District. In 2013, the Kenaitze Indian Tribe completed construction of a 52,000 square foot Dena'ina Health and Wellness Center located on approximately four acres of land owned by the Tribe.

As the uses in the Townsite Historic District evolve, a review of the zoning requirements may be useful. New guidelines may be needed to encourage development while protecting the historic qualities of the district. It may be also desirable to revisit the standards to determine if the district now meets the guidelines for the National Register of Historic District.

5.4.2 Mixed Use

Mixed use enables a range of land uses that include a compatible mix of residential, retail, service, office, public, institutional and recreational uses. Uses are to be co-located in an integrated way with careful site layout, building design, and landscaping so that the integrity of adjacent land uses is maintained and neighborhood amenities are increased. Compatibility issues are addressed through careful site layout and building design.

5.4.3 Residential Land Uses



The natural terrain, early settlement, and a single highway route shaped the pattern of early residential development in Kenai. Today residential development, both suburban and rural, has expanded beyond the main road.

Kenai has a large inventory of vacant residential-zoned tracts that provides an opportunity to plan for subdivision and development. Many of these tracts are already served with improved roads, water and sewer, and other utilities. Some of the residential lots have gone undeveloped because they are smaller than preferred. It may be possible to consolidate and replat some of the smaller lots to make them more marketable. As noted earlier, promoting infill development on vacant improved lots is a desirable goal to achieve efficient land use and optimal use of city infrastructure.

Some of Kenai's residential subdivisions lack desired amenities such as neighborhood parks, better neighborhood access by foot to local schools and play areas, paved streets, city water and sewer, street lighting and landscaped buffers from incompatible uses and traffic.

Beaver Loop Road is a rural area with scenic vistas, natural open space, and a low-density residential lifestyle with a short drive to city services. The State of Alaska Department of Transportation and Public Facilities is currently planning the development of improvements to the

widen the roadway and shoulders and develop a pedestrian pathway. Upon completion, the City will take ownership of Beaver Loop Road for maintenance and upkeep. This proposed development and the phased expansion of the water and sewer infrastructure, including expansion of the water treatment facility, may encourage growth in this area. Much of the vacant property in the Beaver Loop area is affected by wetland or floodplain conditions, and may not be suitable for uses more intense than Low Density Residential development.

In the late 1970's, construction of Bridge Access Road and Warren Ames Memorial Bridge opened the Kalifornsky Beach Road area for semi-urban settlement. Better access has fostered development of attractive, low-density housing with onsite water and sewer facilities.

Kenai residents place a high value on residential neighborhoods that are safe for all ages and located near important community facilities such as schools, recreational facilities, the library, parks, government services, and commercial areas.

The Land Use Plan identifies two types of residential land uses: (1) Suburban residential (SR) and (2) Low-Density Residential (LDR). Suburban residential land uses are typically single-family and multi-family residential uses that are urban or suburban in character. Typically, suburban residential neighborhoods are developed at a higher density; lots are typically smaller; and, public water and sewer systems are required or planned. Sidewalks, public areas, and paved streets may be required for some projects.

Low-density residential land uses typically include single-family low-density, large lots with individual on-site water supply and wastewater disposal systems. Streets will typically be constructed to rural street standards (gravel) and sidewalks will not be included in the design.

5.4.4 Industrial Land Use

The Land Use Plan creates two types of industrial land uses: (1) Industrial Land Use (IN), and (2) Airport Industrial (AI). Industrial lands are those suitable for both light and heavy. Uses may include warehousing, trucking, packaging, distribution, production, manufacturing, processing, marine-related industry and storage, and similar industrial activities. The Airport Industrial lands are those lands reserved for the Kenai Municipal Airport and its future expansion, and tracts needed for present and future aviation-related uses and activities.

Existing industrial land uses in Kenai total about 850 acres, and another 320 acres are vacant and zoned for industrial uses. While the current economic outlook does not indicate a demand for large industrial sites in the near future, maintaining the viability of existing industry is a land use and economic priority.

Marine-oriented (e.g., fish processing, upland storage, fuel storage, marine repair, and recreational fishing), aviation-related (e.g., aviation support services and cargo storage and transfer), oil field

support services (e.g., welding, training, and fabrication), and gravel extraction are the primary industrial land uses in Kenai. The decline of the commercial fishing industry has affected operations of some fish processing plants. Some processors have adapted by producing fresh fish products (Alaska Wild) rather than canned fish.

According to a KPEDD 2015 report on Industry Highlights, the Alaska LNG project, which could start production at its proposed Nikiski liquefaction plant and export terminal by 2025, would be a significant investment in the Kenai Peninsula, operating for decades. Though the project is still in its early stages of design and permitting, and a final investment decision is about four years away, there is significant activity in the region as part of the environmental review and design work. Secondary impacts, both positive and negative, can be expected for the city.

In 2011, the City of Kenai received a legislative appropriation of \$761,650 to pursue development of an industrial park adjacent to Marathon Road. An engineering firm developed a conceptual layout for the 42-acre industrial park which will encompass 20-25 lots. In April 2012, the preliminary plat was approved. Road access, power, water and sewer have been extended to the site. The majority of companies expressing interest in the facility represent the oil and gas industry which demonstrates a revitalization of this industry on the Kenai Peninsula.

Industrial land use is part of the city's basic economy. While commercial land uses are primarily consumptive and rely on the flow of money into the city, industrial uses generate revenue. Kenai has built a healthy industrial economy, based on its energy and fisheries resources. Kenai should reserve its best-located industrial-zoned tracts for future industrial uses that would not be suitable for residential or commercial zones. Such a strategic outlook to the future will allow Kenai to take advantage of opportunities for future development.

The availability of local gravel sources plays an important role in the encouragement of development. Historically, gravel extraction has been allowed as a conditional use in rural areas, particularly off Beaver Loop Road. Local sources of gravel and fill materials are economically advantageous, but there is potential for conflicts between gravel extraction and transport and other nearby uses, particularly in residential areas. The City's conditional use and subdivision review processes can be effective tools to require site reclamation and minimize negative impacts from gravel operations. Mitigation plans that accompany permits address impacts such as dust, noise, road safety hazards, drainage, groundwater degradation, and other impacts related to the surrounding environment.

5.4.5 Institutional Land Uses

The Land Use Plan identifies Institutional Land Uses (ITL) as those uses that are primarily government and tax-exempt institutions that offer social and cultural amenities to the residents of Kenai and the region. Uses typically include government offices and facilities, schools, churches, and other community service-oriented facilities.

5.4.6 Parks, Recreation and Open Space Land Uses

The Land Use Plan identifies approximately 358 acres designated by the City as parks, recreation and open space (PRO), which far exceeds the National Recreation and Park Association guidelines for parks and open space acreage (see Section 4.5.4 for a description of areas managed by the Kenai Parks and Recreation Department). In addition, state and federal lands in and near the City have also been designated for these purposes, including areas adjacent to the Kenai River.



An Example of Open Space in Kenai

The Land Use Plan identifies Parks, Recreation and Open Space (PROS) Land Uses as public recreation facilities, as well as undeveloped lands intended to provide for conservation of natural or scenic resources. Passive and active outdoor and indoor sports and recreational activities are appropriate. Some improvements are compatible with appropriate site design and layout.

The term “open space” includes those areas managed for parks and recreation, areas zoned for conservation, and undevelopable areas. These areas provide outdoor recreation opportunities, visual and sound buffers and habitats for fish and wildlife. For example, in addition to its habitat

functions, wetlands provide flood control and they act as a natural water purification system. Establishing corridors between designated open space areas is important for wildlife migration and to retain options for future trail expansion. In addition to the aforementioned values, open space can enhance nearby property values.

Some areas designated for parks and recreation also provide *de facto* open space because of incompatibility with other uses. For example, wetlands, stream corridors, and utility corridors are not suitable for development and can provide a form of “buffering”.

Chapter 6: Goals, Objectives, and Implementation

6.1 Introduction and Framework for the Future

The vision statements, issues, goals and objectives from the draft *Imagine Kenai 2030* comprehensive plan (Draft 2013 Plan) are included in the draft 2016 Kenai Comprehensive Plan. The strategies, priority ranking, and responsible department information from the 2013 plan, has instead been written into the 2016 plan objectives and implementation sections, were appropriate.

The planning terms used in this chapter – goals, objectives and action items – are defined in the inset box.

The goals and objectives provide the rationale for the implementation measures. The goals and objectives, in combination with the Land Use Plan and Land Use Map, guide the pattern, location, scale, and character of future growth. The goals and objectives provide the frame of reference for reviewing land development proposals such as comprehensive plan amendments, rezoning, conditional use permits, and subdivision plats.

Definitions

Goals are broad statements of the City's long-term desired outcomes.

Objectives are “operational” guidelines used to determine whether a proposed project or program advances community values expressed in the goals.

Action Items list specific steps the City will take to implement the Objectives. Action items may be a one-time work effort (such as amending the City's Municipal Codes, or adopting a new plan or regulation) or may be ongoing efforts that are part of the City's day-to-day functions.

6.2 Goal 1 – Quality of Life: Promote and encourage quality of life in Kenai.

Vision: Kenai is a healthy community that provides for the emotional, physical, economic and spiritual wellbeing of all of its citizens; promotes the health and wellbeing for all age groups; provides opportunities for lifelong learning; and, encourages arts and cultural activities.



<i>Goal 1 Objectives</i>		<i>Action Items</i>
<p>Q-1 Ensure that Kenai is a community where people and property are safe.</p> <p>Q-2 Protect and rejuvenate the livability of existing neighborhoods</p> <p>Q-3 Promote beautification programs in Kenai.</p> <p>Q-4 Promote the siting and design of land uses that are in harmony and scale with surrounding uses.</p> <p>Q-5 Update existing site design guidelines for commercial development – landscaping, setbacks, parking.</p> <p>Q-6 Update the subdivision code to include site design standards.</p> <p>Q-7 Provide a variety of formal and informal educational programs.</p> <p>Q-8 Collaborate with local Alaska Native organizations to identify culturally sensitive issues and areas of importance in Kenai.</p> <p>Q-9 Encourage healthy lifestyles by providing opportunities and/or facilities for outdoor activities.</p>	<p>Q-10 Continue to support existing senior services and the development of additional services and housing.</p> <p>Q-11 Identify requirements for nominating the Townsite Historic District (TSH) to the National Register Historic District.</p> <p>Q-12 Update Historic District design standards in the city's land use regulations.</p> <p>Q-13 Develop strategies in cooperation with state and federal agencies to ensure there is adequate affordable housing in Kenai.</p> <p>Q-14 Continue to foster a compact, intensive mix of private and public uses in the downtown core area.</p> <p>Q-15 Acknowledge the emergence of other commercial centers.</p> <p>Q-16 Provide a wide variety of opportunities for the public to participate in public policy decision-making.</p>	<ul style="list-style-type: none"> • Update site design standards. • Conduct a housing inventory. • Research process and information needed for creating a TSH District. • Evaluate the opportunity for multiple city centers – definitions, criteria, standards for development • Update/revise subdivision code. • Prepare an urban trail and greenbelt system plan that connects with other trail systems.

6.3 Goal 2 – Economic Development: Provide economic development to support the fiscal health of Kenai

Vision: Kenai has a secure economic vitality by being a community that has a wide variety of job opportunities and workforce support and development; by providing a quality of life and financial climate that encourages businesses to start up, expand or relocate to Kenai; and, by providing a built environment based on standards that sustain long-term economic viability and growth and that promotes affordable residential and commercial development.



Kenai Fine Arts Center

Goal 2 Objectives		Action Items
<p>ED-1 Promote projects that create workforce development opportunities.</p> <p>ED-2 Implement business-friendly regulations, taxation and incentives to create a stable, positive climate for private investment.</p> <p>ED-3 Use regional economic and workforce statistics to match the most suitable type of industry for particular areas and then market these areas.</p> <p>ED-5 Promote adaptive reuse of vacant commercial buildings in the city center and along the Kenai Spur Highway.</p>	<p>ED-6 Prior to zoning property to commercial, consider if use has access to collector or arterial road, access to city services, and that potential conflicts with adjacent non-commercial uses have been minimized through site design, landscaping, or other appropriate measures.</p> <p>ED-7 Prior to zoning to industrial, consider if use has access to collector or arterial road, access to city services, that potential conflicts with adjacent non-industrial uses have been minimized through site design, and that potential hazards from the proposed industrial use have been minimized.</p> <p>ED-8 Reserve areas zoned for industry for industrial uses.</p> <p>ED-9 Capitalize on the tourism industry by marketing Kenai as a destination for recreational activities, conventions, festivals, arts, cultural and other events.</p>	<ul style="list-style-type: none"> • Develop a recruitment strategy to attract and compete for specific businesses and industries that are necessary to maintain the local economy. • Conduct inventory of industrial lands. • Conduct a cost-benefit analysis of development incentive programs such as reverse taxation, tax relief, and tax deferral. • Update existing guidelines for commercial development – utilities, landscaping, setbacks, parking.

6.4 Goal 3 – Land Use: Develop land use strategies to implement a forward-looking approach to community growth and development.

Vision: Kenai implements a forward-looking approach to community growth and development by establishment of several different zoning districts that reflect the needs of each district; and, by providing commercial, industrial, and residential areas suited to current and probable future growth.



Goal 3 Objectives		Action Items
<p>LU-1 Establish siting and design standards so that development is in harmony and scale with surrounding uses.</p> <p>LU-2 Promote the infill of existing, improved subdivision lots.</p> <p>LU-3 Review existing zoning and subdivision codes to determine if they address current and future land uses adequately.</p> <p>LU-4 Review revitalization strategies for the area adjacent to the Bridge Access Road beginning at Millennium Square to the boat landing.</p> <p>LU-5 Support development at emerging community “centers” that lie outside the major employment centers but provide a mix of retail, service, and residential uses.</p>	<p>LU-11 Where feasible, consolidate access to and between land uses via frontage roads or by shared driveways onto main streets/highways.</p> <p>LU-12 Ensure that the installation of basic public infrastructure (roads, sewer, water, and drainage) is coordinated with the timing of development and that improvements are in place at the time impacts occur.</p> <p>LU-13 Coordinate transportation improvements with the city’s land use plan, capital improvements program, Alaska Department of Transportation & Public Facilities transportation plans, the Kenaitze Indian Tribe, and Salamatof Tribal Council.</p> <p>LU-14 Ensure a pattern of connecting streets and blocks that allows people to get around easily by foot, bicycle or car when approving new developments, both commercial and multifamily.</p> <p>LU-15 Review the siting of oil and gas development.</p> <p>LU-16 Support implementation of the City’s Kenai Airport Master Plan Capital Improvements Program.</p>	<ul style="list-style-type: none"> • Determine if current zoning and subdivision codes are consistent with the goals and objectives of the comprehensive plan. • Update the subdivision code to include site design standards, requirements for the reservation of open space and parks in new subdivisions. • Review landscaping design requirements to require retention of natural vegetation; to define and provide buffers between incompatible land uses. • Evaluate the creation of two conservation zones – one for natural areas and one appropriate for some improvements. • Prepare an urban trail and greenbelt system

<i>Goal 3 Objectives</i>		<i>Action Items</i>
<p>LU-6 Review Zoning Code to consider use of buffers and buffer zones to separate incompatible land uses. Review landscaping ordinance to ensure buffers are required to protect neighborhoods.</p> <p>LU-7 Identify city-owned and public-owned lands appropriate for rezoning to protect natural areas and open space.</p> <p>LU-8 Prohibit development in natural hazard areas.</p> <p>LU-9 Locate parks near schools, residential areas not served now.</p> <p>LU-10 Encourage creative subdivision design for residential areas.</p>	<p>LU-17 Coordinate senior services and facilities with improvements to the city center or downtown core.</p> <p>LU-18 Provide a wide variety of opportunities for the public to participate in local land use decisions.</p>	<p>plan that connects with other trail systems.</p> <ul style="list-style-type: none"> • Develop revitalization strategies to support the marketing of waterfront area (Bridge Access Millennium Square to Boat Harbor). • Develop standards or guidelines for the siting of oil and gas development. • Annually review land use map to monitor changes in land use. • Explore various media to expand public involvement in planning activities and decisions.

6.5 Goal 4 - Public Improvements and Services: Provide adequate public improvements and services in Kenai.

Vision: Kenai encourages public involvement in decision making; has well-planned public and institutional facilities that meet the health, education, governmental and social service needs of all citizens; has an integrated efficient and cost-effective network of utilities and public improvements and is a community where the public feels safe.



Goal 4 Objectives		Action Items
<p>PF-1 Ensure that the installation of basic public infrastructure (roads, sewer, water, and drainage) is coordinated with development and that improvements needed to serve the development are in place at the time impacts occur.</p> <p>PF-2 When siting and designing a new public facility the city shall determine if the facility is necessary, if the demand for services can be met, and if there funding sources in place to pay for it.</p> <p>PF-3 Maintain existing water and sewer utilities.</p>	<p>PF-4 Consider additional city activities and services.</p> <p>PF-5 Continue mutual cooperation activities with the Kenai Peninsula Borough Division of Emergency Management for efficient delivery of public safety services (police, fire, EMS) to residents of the City of Kenai.</p>	<ul style="list-style-type: none"> • Continue to collaborate with the USACE on the Kenai River bluff erosion project. • Continue to secure necessary funding for the Kenai River bluff erosion project. • Participate in the development of the City's Capital Improvement Program (CIP) process to evaluate the feasibility/need for public improvements. • Update city's sewer and water master plan. • Evaluate the need for additional city services. • Work with the Kenai Peninsula Borough School District to develop standards for locating new schools during the design of new neighborhoods.

6.6 Goal 5 - Transportation: Provide transportation systems that are efficient and adequate to serve the regional needs of the community.

Vision: Kenai Municipal Airport is a gateway to the Kenai Peninsula and West Cook Inlet; the roads are designed, constructed, and maintained for year-round use; and the harbor functions as a vital facility for water connection to other areas in the State.



<i>Goal 5 Objectives</i>		<i>Action Items</i>
<p>T-1 Support future development near or adjacent to the airport when such development is in alignment with the Kenai Municipal Airport's primary mission, "To be the commercial air transportation gateway to the Kenai Peninsula Borough and Cook Inlet."</p> <p>T-2 Inventory existing roads, trails, and utilities and identify and prioritize upgrades.</p> <p>T-3 Establish a maintenance and upgrade program for the City's transportation system.</p> <p>T-4 Pursue local road projects through annual budget requests from the STIP.</p> <p>T-5 Transportation improvements needed to serve new developments shall be in place at the time new development impacts occur.</p>	<p>T-6 Ensure a pattern of connecting streets and blocks that allows people to get around easily by foot, bicycle or car when approving new developments, both commercial and multifamily.</p> <p>T-7 Actively pursue design and construction of a Kenai River Bridge Access Road and coastal and bluff trail system</p> <p>T-8 Coordinate transportation improvements with the city's land use plan, capital improvements program, ADOT&PF transportation plans, the Kenaitze Indian Tribe, and Salamatof Tribal Council.</p>	<ul style="list-style-type: none"> • Support the Airport's marketing strategy to actively recruit development on Airport Industrial Park leases. • Fund and schedule the develop a city long-range transportation plan. • Monitor progress of Statewide Transportation Improvement Plan (STIP). • Prioritize maintenance / upgrades for streets, sidewalks, and trails based on criteria established in city's maintenance program. • Continue to work with the Kenai Peninsula Borough to continue implementation of the Coordinated Public Transit-Human Services Transportation Plan.

6.7 Goal 6 – Parks and Recreation: Ensure that Kenai has excellent parks and recreational facilities and opportunities.

Vision: Kenai enhances the quality of life for all citizens through parks and recreational facilities, programs, and community services.



<i>Goal 6 Objectives</i>		<i>Action Items</i>
<p>PR-1 Pursue long-term development of a trail and greenbelt system that connects the proposed coastal trail and upland bluff trail with links to and through the urban area.</p> <p>PR-2 Maintain existing recreational opportunities and plan for new parks and recreation improvements.</p> <p>PR-3 Promote the public/private collaboration for acquisition, development and maintenance of neighborhood parks, youth sports facilities, and recreational areas.</p> <p>PR-4 Support projects that provide additional quality outdoor and indoor recreation.</p> <p>PF-5 Establish criteria for siting parks and recreation facilities to make them accessible, safe, with adequate parking.</p>	<p>PF-6 Promote the joint use of municipal land and facilities.</p> <p>PF-7 Encourage development of a mutually supportive cluster of diverse residential facilities for seniors near shops, services, activities, and amenities that cater to seniors as well as the community at large.</p> <p>PF-8 Locate future community parks near schools and residential areas not yet served by parks.</p> <p>PF-9 Preserve and protect water features such as isolated wetlands, stream corridors, drainage areas, and riparian areas for open space and to enhance water quality.</p> <p>PR-10 Include trails and bicycle paths in funding requests to ADOT&PF for future transportations plans.</p> <p>PR-11 Require that greenbelts be provided when new right-of-way corridors are established.</p>	<ul style="list-style-type: none"> • Develop a master plan for Parks and Recreation. • Prepare an urban trail and greenbelt system plan that connects with other trail systems. • Implement the City of Kenai Parks and Recreation Trails Plan. • Revise the conservation zone standards and rezone public lands surplus to Kenai's future development needs for conservation. • Explore creation of a Kenai River Gateway/Kuhtnu natural area or park to highlight Kenai's reputation as a prime recreational access point to the Kenai River. (Kuhtnu is the traditional Kenaitze name for the Kenai River.)

6.8 Goal 7 - Natural Hazards and Disasters: Prepare and protect the citizens of Kenai from natural hazards and disasters

Vision: Kenai has coordinated and proactive public policies, emergency plans and procedures, and educational programs that minimize the risk to the community from natural hazards and disasters.



<i>Goal 7 Objectives</i>		<i>Action Items</i>
NH-1 Implement the 2016 Hazard Mitigation Plan strategies.	NH-2 Prohibit development in known hazard areas except where no feasible or prudent alternative can be identified.	<ul style="list-style-type: none">• Collaborate with the city, borough and state agencies to develop and demonstrate defensible space and landscaping techniques.• Support educational programs regarding hazard mitigation.• Continue cooperative efforts with the Borough Office of Emergency Management, local media, and City of Kenai websites during periods of hazards such as volcanic eruptions, flooding, and earthquakes.

6.9 Goal 8 - Environmental Resources: Protect and enhance the natural resources and environment of the community.

Vision: Kenai practices mindful stewardship of the natural resources and the environment to ensure they are protected and enhanced for their viability and values in perpetuity.



<i>Goal 8 Objectives</i>		<i>Action Items</i>
<p>ER-1 Maintain and improve protection of the Kenai River its beaches, tidelands and wetland areas.</p> <p>ER-2 Development plans should include provisions to avoid or minimize impacts on environmental resources such as the dunes, bluffs, wetlands.</p> <p>ER-3 Review, and modify as necessary, the City's long-term plan for management of the annual Personal Use Fishery.</p> <p>ER-4 Divert public trails away from sensitive salmon spawning streams.</p>	<p>ER-5 Revise the conservation zone standards and rezone public lands surplus to Kenai's future development needs for conservation.</p> <p>ER-6 Pursue long-term development of an urban trail and greenbelt system that connects the proposed coastal trail and upland bluff trail with links to and through the urban area.</p> <p>ER-7 Preserve and protect water features such as isolated wetlands, stream corridors, drainage areas, and riparian areas for open space and to enhance water quality.</p>	<ul style="list-style-type: none"> • Continue to work with the State of Alaska, personal use fishers, commercial fishers, residents, and others to mitigate damages caused by the dipnet fishery. • Continue efforts to protect the dunes. • Develop a plan for the protection of critical wetlands that includes methods for creating and purchasing conservation easements. • Increase signage along the bluffs at the mouth of the Kenai River to educate people of the damage caused by climbing the bluffs. • Explore creation of a Kenai River Gateway/Kuhtnu natural area or park to highlight Kenai's reputation as a prime recreational access point to the Kenai River. (Kuhtnu is the traditional Kenaitze name for the Kenai River.) • Provide city maintenance of existing rights-of-way and easements for public access to beaches.

6.10 Implementation

The City will take action at various levels to implement the comprehensive plan goals, objectives and land use plan.

The Administration is responsible for carrying out the city's land use regulations and assisting the public with use of the plan goals and policies on a day-to-day basis. Individual departments use the plan as appropriate as they conduct city business and as they review requests for development approval.

The Planning and Zoning Commission is the “keeper of the plan”. In its advisory role, the Planning and Zoning Commission is responsible for making recommendations for plan implementation. The Commission's key role is the interpretation of the plan goals and policies when reviewing development requests such as subdivision proposals, conditional use permits, and variances.

At the policy level, the City Council approves the plan and may revise the land use regulations (zoning and subdivision), landscaping requirements, the capital improvements program, and other city programs to implement the plan.

Following adoption of the comprehensive plan, the City Planning Department and Planning & Zoning Commission should prepare a work plan for implementation. The work plan is an internal document that establishes implementation priorities.

The work plan describes the action items identified for each planning goal and specifies the following:

- What is the priority for completing each action?
- Who should be involved?
- What is the schedule for completing the action?
- How much will it cost to complete?

Because the plan is a living document and the implementing ordinances require time to develop and public involvement, it is important that the City develop an ongoing implementation work plan that prioritizes the actions necessary to carry out the goals and objectives of the plan.

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Appendix A

2013 Draft Comprehensive Plan (Imagine Kenai 2030)

https://www.kenai.city/sites/default/files/fileattachments/planning_and_zoning/page/4971/2013_comp_plan_draft.pdf

Appendix B

2016 Kenai Comprehensive Plan Update

Community Outreach

Kenai Comprehensive Plan 2016 Town Hall Meeting #1

March 26, 2016 from 9 a.m. to 12 noon
Kenai Senior Center
Meeting Notes (from flip charts)

Rich Koch opened meeting with introductions and overview of today's meeting agenda.

Elizabeth Benson presented purpose of meeting and the proposed approach (guide to how to update Chapters 1-4) for updating the plan. Also gave an overview of the role of planning.

Participants offered comments on the proposed approach (guide handed out) and proposed schedule. These were recorded digitally and on flip charts. Participants' comments from the flip charts are organized below by commenter, topic, and comment.

TOPIC	COMMENTER	COMMENT
Proposed Approach/Guide to Creating a 2016 Plan		
	Elizabeth Benson	Reviewed guide for proposed approach to creating 2016 plan.
2013 plan data	Henry Knackstedt	Use 2013 data. City Council specifically directed that the 2013 data be used in the new plan. EB confirmed that yes we would be using the 2013 data.
2013 plan comments	Tim Navarre	Use comments from 2013 plan process. Everyone participating in update should get a copy of the draft 2013 plan. EB and MK confirmed that yes we have these comments and handed out copies of the 2013 plan (draft/not adopted).
History about 2013 plan effort	Bob McIntosh	City Council decision not unanimous to used 2013 for update. Public rejected 2013 by referendum.
	Ken Peterson	Some residents have stated they want Kenai to remain static. We need to move forward. We need to keep this perspective in mind from the 2003 plan to the 2011 and 2013 updates, which were moving to the future-ahead. If majority wants to stay static then we need to know.
Attendance at Town Hall (TH) #1	Richard Kelso	People not here today because in the past they participated and the plan didn't address their

TOPIC	COMMENTER	COMMENT
		concerns. They do not trust the process. Concerned that past TH meeting comments and information doesn't get lost in the 2016 update process.
Use of 2013 Plan Table of Contents (TOC).	Tim Navarre	Need to clarify that we are using the TOC from the 2013 plan and not the 2003 plan. Yes, we are using 2013 TOC.
Title of new plan – clarify.	Tim Navarre	Clarify title of new plan – should it be called “Kenai Plan 2016”? Update?
	Ken Peterson	Call it 2016 Plan
	Henry Knackstedt	Call it 2016 Plan. Clarify that today's meeting purpose is to review Ch. 1-4 from the 2013 Plan – not on the agenda. Make sure public knows what is being discussed. (Note: public notice did state that Ch. 1-4 2013 Plan would be reviewed).
	Brian Gabriel	Keep title simple – is it to be called 2016 Plan or 2030 Plan? Confusing title. Do we refer to a date in the future like 2030? Or 2025, for example? Agree on a clear title. Use 2013 background except for goals.
	Bob McIntosh	Public interested in general concepts – title should reflect people's/City Council's preference and legal input. Concentrate on substance so that it's not confusing. Response to Ken P.re remaining static: People want the atmosphere in Kenai to be retained. How do we develop economically – e.g. marijuana store? Likes 2013 TOC. Focus on public input.
Using 2013 Plan & Previous Neighborhood Concerns	Katie Quinn (KSRM)	There were issues with the land use plan in 2013. MAPTS subdivision the center of controversy. Plan well and good but what about neighborhood concerns? How are these managed in a plan? EB and MK respond – there are a lot of ways to manage land use. The land use table in a plan is a guide for long term planning. Even if current land uses do not match with proposed uses for

TOPIC	COMMENTER	COMMENT
		that lot/area, a rezone is not forced on that property.
2013 Plan Process & using goals from that plan	Richard Kelso	2013 goal Quality of Life very specific – not so in 2003 plan. EB respond – we will look at 2013 goals and 2003 goals at next TH meeting.
	Jeff Twait	Will look at both sets of goals at next meeting. Get back on track and review Chapters 1-4 now.
Getting word out to public	Tim Navarre	Advertise next meeting and invite public to help develop goals. City Council wants both documents here for participants to refer to.
Today's agenda and review of background Chapters 1-4.	Tim Navarre	EB asks – should we agree to the proposed table/guide approach (heads nod)? What about going through the Chapters 1-4 in detail today? Should we do that? Yes – participants want to go through Chapters 1-4 in 2013 Plan today.
Chapters 1-4 2013 Plan – review by section and sub-section		
Chapter 1 Introduction		
1.1 Purpose of the Comprehensive Plan	Elizabeth Benson	Referred to Tim's comment about combining "Kenai's Community Identity" with Mission Statement sections.
1.2 Goals of the Plan	Elizabeth Benson	Reviewed this section which summarizes the plan goals. Chapter 6 provides more details on goals. Suggested that goals are broad, that group should look at 2003 and 2013 goals side by side. Land use goals have to be reviewed again with the public. Add more specifics about public facilities and services. Describe difference between transportation and transit. Describe services city provides and those provided by others such as state, federal government, borough. Describe services city provides and ones they do not (e.g. provided by others such as State, Feds, KBP).
Transportation Goal	Bob McIntosh	City does not have transit system. Senior Center provides some transit. There are CARTS/cabs for local transportation.

TOPIC	COMMENTER	COMMENT
		City can do more to develop regional transportation.
Parks & Recreation Goal		No comments
Natural Hazards Goal	Elizabeth Benson & Matt Kelley	Integrate new Hazard Mitigation Plan information – new HMP will be available by mid-July 2016.
Environmental Resources Goal		No comments.
General comments on Chapter 1 Introduction	Tim Navarre	Page 2 and page 5 need to be rewritten/combined to address these two similar topics (e.g. mission statement)
	Henry Knackstedt	8 goals – do we need any other goals? Broader goals? Are they listed in order of importance?
	Brian Gabriel	Possibility of revisiting this after 2013 Plan Chapter 6 (Goals and Objectives) revised. EB suggest that we consider moving the goals and objectives up in the plan TOC; ahead of Chapter 4 and Land Use.
	Tim Navarre	Page 2 and page 5 need to be rewritten/combined to address these two similar topics (e.g. mission statement)
1.3 How to use this Plan		This section will be adjusted as the plan TOC is changed.
Section 2 City of Kenai		
2.1 Powers of the City	Elizabeth Benson	Powers of the City – comments on the planning and zoning commission section. Verify with administration re any changes.
	Tim Navarre	Suggested combining “Kenai’s Community Identity” with Mission Statement sections (pages 1 and 5).
2.2 Planning and Zoning Commission	Bob McIntosh	Add more information about P&Z responsibilities and how comments by the public are addressed in their decisions. Do neighbors have chance to affect decision? For example, pot store in neighborhood and how should P&Z handle this action?
	Elizabeth Benson	Caution that because P&Z and CC members are here today, we should not discuss project. It is

TOPIC	COMMENTER	COMMENT
		still in the review process and there are individual property rights in question. Jeff –
	Jeff Twait	P&Z applies conditions of approval to address potential impacts/concerns.
	Ken Peterson	There is an appeal process of 15 days to the City Board of Adjustment.
	Bob McIntosh	Commissioner comments reflect the need for public input on the Plan. Public needs to know the importance of the plan.
2.3 Context for Planning	Tim Navarre	Assumes if the City Administration wants changes they would be presented.
	Elizabeth Benson	Land use table will be updated to reflect public input and previous plans.
	Henry Knackstedt	Airport Master Plan to be completed soon – need to incorporate that information.
	Elizabeth Benson	We will use Airport Master Plan, new Millennium Square Feasibility Study, HMP and other documents to update the table. The 2013 plan will be added to the list of plans to provide historical context to readers.
Chapter 3 Native Community		
	Elizabeth Benson	EB and MK to coordinate with local Native community, both for-profit and non-profit, to confirm contents in this chapter. Basic background not changed.
Chapter 4 Background Information		
	Elizabeth Benson	Statistical information needs to be updated. Setting description confirmed/reworded. MK – make HMP appendix to the new plan – been updates on bluff erosion project. EB – background information drives goals and policies/the foundation upon which they are built.
4.1 Settlement History		
4.2 Setting	Elizabeth Benson	Setting needs to be reworded/updated as appropriate.
4.2.1 Climate & Environment		No comments.

TOPIC	COMMENTER	COMMENT
4.2.2 Natural Hazards	Matt Kelley	HMP will available mid-July 2016 and we can use that data for this section. There have been updates on bluff erosion for example.
4.3 Population, Education, Housing	Elizabeth Benson	Proposing to use state agency Department of Commerce, Community & Economic Development (DCCED) data for population, housing, economy. 2010 census used in 2013 and it won't be updated until 2020. Confirm data with local Kenai Peninsula Economic Development District (KPEDD).
	Jim Glendenning	Need to recognize employment and economic opportunities that will come from the Alaska LNG Project (AKLNG).
4.5 Economy		
4.5.1 Employment & Income	Elizabeth Benson	Going to use state agency Department of Commerce, Community & Economic Development (DCCED) data for population, housing, economy.
4.5.2 Business Indicators	Elizabeth Benson	Need to consult with local Chamber, KPEDD, and other groups (realtors, etc.) to update indicators.
4.5.3 Oil & Gas Industry	Elizabeth Benson Jim Glendenning	Describe potential employment and economic impacts that could result from the Alaska LNG Project (AKLNG).
4.5.4 Commercial Fisheries & Seafood Processing	Elizabeth Benson	Update as appropriate describing local activities. Review state and KPEED and other sources for information and forecasts.
4.5.5 Visitor Industry	Henry Knackstedt	Update as appropriate describing local activities. Review Kenai Peninsula Tourism Marketing Council, Chamber of Commerce, KPEED, and other sources for information and forecasts. Refer to City's Dipnet Fishery Report for latest information and forecasts for personal use fishery, city dock use.
Tables	Brian Gabriel	Streamline tables so that occupational type matches the actual occupation. With new types of agriculture (e.g., marijuana), it may be important to address this as an economic occupation.

TOPIC	COMMENTER	COMMENT
		EB - Census uses standardized categories that don't necessarily make sense.
4.5 Public Facilities & Services	Elizabeth Benson	Describe facilities and services provided by the city and those not provided. Update descriptions as needed. Highlight those services the city provides that are used by non-residents. E.g., animal control, senior center, library. Consult with city administration/public works for background information, issues. Include maps of existing services.
4.5.1 Water & Sewer Systems		
4.5.2 Public Safety		
4.5.3 Transportation	Elizabeth Benson	Describe transportation facilities and services and transit.
	Henry Knackstedt	Include information from latest Airport Master Plan.
	Jeff Twait	Airport is a very important economic engine to the city.
	Mary Bondurant	City present the 2016 Plan process to the Airport Commission – April 14, 2016?
4.5.4 Parks & Recreation	Rachael Craig	Not enough emphasis on Kenai services provided – such as library, parks, etc.
	Matt Kelley	We will use the latest Millennium Square feasibility study from KOOL in the 2016 plan.
4.5.5 Senior Citizen Facilities & Services	Rachael Craig	Important to remember that the Peninsula is becoming a “retirement” area. Families are bringing their parents here. It's a growing population. Senior center service not just Kenai seniors but those in the region.
	Bob McIntosh	Seniors made their contribution to this community. Senior very important and the community is what it is today because of the work of seniors.
4.5.6 Kenai Community Library	Rachael Craig	Library services not just city residents, but the entire area.
4.5.7 Other Services		No comments. Add as identified.
4.6 City of Kenai Finances	Elizabeth Benson	Update with city administration.
4.6.1 Expenditures		

TOPIC	COMMENTER	COMMENT
4.6.2 Revenues		
4.7 Forecast of Economy, Population & Housing Demand	Elizabeth Benson	Work with P&Z commission, City Council, administration to develop assumptions about growth and how to measure/forecast it. Talk to local experts re housing growth/decline, issues, forecasts.
	Jeff Twait	If AKLNG comes, it could create potential to benefit city.
	Elizabeth Benson	Land ownership can drive economic development – owners decide when they want to develop their land, assemble parcels, sell, etc.
Proposed Plan Development Schedule		
Plan Schedule	Matt Kelley	Reviewed proposed schedule for next TH meeting on April 16, 2016. Go over next sections in plan – at this time considering discussing land use but may do goals and objectives. Future THs schedule is TBD. Likely there will be a third TH. P&Z commission worksessions likely to occur in May. P&Z commission public hearings likely to occur in June-July. Be sure to fill out comment sheet. Use city's email address to comment as well.
Getting the word out to involve the public in future meetings/planning process.	Ken Peterson	Good advertising for this meeting. KSRM did good job. Like to see mail out.
	Matt Kelley	Working with local Postmaster to create bulk mailer to not just land owners but all residents (i.e. apartments, businesses).
	Richard Kelso	Like to see information from public from 2013 used in this plan. People in his neighborhood feel like they weren't heard last time and won't be heard this time. People drop away. Please listen to the people.
	Elizabeth Benson	Asked Richard for suggestions on getting them involved.
	Richard Kelso	Act in a trustworthy fashion – e.g. Walker Lane Rezone

TOPIC	COMMENTS	COMMENT
	Henry Knackstedt	Be careful with airport property – it has a distinct purpose and obligation to the Federal Aviation Administration (FAA).
	Bob McIntosh	Need to build trust. Administration, City Council, P&Z Commission encourage public input. Provide commitment up front. Listen to people because they have the final say (i.e. voter approval). Should all work together.
	Matt Kelley	City Council has the final say on whether to commit to a voter approval of the plan. Possibly go to the Borough Assembly as well. Citizen committee can be formed by anyone and they can come to City Council and P&Z meetings. Committee would be independent of the city and cannot rely on city staff for administrative support.
	Jeff Twait	Hopefully get to a place of community trust. Get people engaged to make it work.
	Richard Kelso	People need to be part of the solution. Hard to get involved. Lack of trust. Commission appointments are political and hard to get. Wants to go in the right direction.
	Henry Knackstedt	Mayor does not appoint commissioners. Council votes to confirm new members.
	Jim Glendenning	Title 29 outlines appointment process. Appointed by the council but not their “minions”.
Closed Meeting at approximately 12 noon		
Matt Kelley and Elizabeth Benson Thanked everyone for their participation and comments.		

Kenai Comprehensive Plan 2016 Town Hall Meeting #2

April 16, 2016 from 9 a.m. to 12 noon

Kenai Senior Center Meeting Notes

Matt Kelley opened the meeting with introductions and presented a matrix that included 2003 and 2013 Planning Goals and Objectives.

Elizabeth Benson gave an overview of the definition of a goal v. objective v. policy. Elizabeth assisted Matt with a facilitated discussion of the matrix.

Participants offered comments and suggestions on the 2003 and 2013 goals and objectives. These were recorded digitally. Melissa Kelley recorded comments on flip charts and Kayla Feldman assisted with audience participation.

Participants' comments from the flip charts are organized below by commenter, topic, and comment.

TOPIC	COMMENTER	COMMENT
Introductions, Purpose of Meeting		
Agenda	Matt Kelley	Reviewed the agenda and purpose of the meeting.
Handout: Matrix of 2003 and 2013 goals, objectives and policies	Matt Kelley	Described the handout and explained how it was organized.
Definition of terms – goals, objectives, policies	Elizabeth Benson	Reviewed definition of goals, objectives and policies, their purpose, and how they differ
Goals		
Goal order	Glenese Pettey	Are goals listed in order of priority in the plans?
Broad v specific goals	Kellie Kelso	2013 goals are broad – would like clarification and more specificity e.g. 2003 goals 1 and 2
Broad v specific goals	Mike Christian	Prefers specificity in goals – 2003 plan gives direction
Broad v specific goals	Christine Hutchison	Prefers some broadness in goals so new things/imagination can work
City center	Henry Knackstedt	There are a number of city centers – use 2013 goal #1 and clarify city centers

TOPIC	COMMENTER	COMMENT
City center	Matt Kelley	Specific goals developed for areas in the city that were “city centers”
City center	Mayor Pat Porter	Lief Hanson Memorial Park is a center spoke/city center
Broad v specific goals	Laura Sievert	2013 goals 1 and 2 too broad; 2003 goal 2 necessary; prefers specificity
Broad v specific goals	Matt Kelley	Need to define what is meant by “quality of life” (2013 goal 1)
2013 and 2003 plan goals	Glenese Pettey	Combine goals 1 of 2003 with 2013 plan
2013 and 2003 plan goals	Rachel Craig	Agreed – see her notes on what goals to combine between the 2003 and 2013 plan
Objectives, Policies		
Definitions	Christine Hutchison	Need definitions of what is a goal, objective, policy
City center	Ken Peterson	Map needed that describes city center – boundary to boundary
City center	Mike Christian	There is no single “city center” – there are 3
City center	Shawna Norton	Specific city centers need connectivity between them; how can they work together to utilize connections. Should city encourage more city centers – by high school, Beaver Loop, etc.?
Old Town Kenai	Barbara Ruckman	Old Town Kenai – need to keep heritage; maintain historic cabins and other buildings. Keep and maintain historic area/district.
City center	Richard Kelso	Focus and develop city center – it’s unique; draw tourists; limit sprawl
Millennium Square	Pete Hanson	Millennium Square development – tourism and convention center draws meetings from all over Alaska for meetings. We have abundant activities for all ages. Tourism brings jobs.
Airport	Barbara Ruckman	Airport – need to protect/expand. Loss of airport would be detrimental.
City centers	Tim Navarre	Multiple city centers – define and describe what development city needs/wants in each city center. E.g. Millennium Square and connectivity to other city centers.

TOPIC	COMMENTER	COMMENT
Definitions	Christine Hutchison	Are definitions incorporated into the plan or a separate document?
Annual Report – Plan	Carol Baumer	Is there an Annual Report published describing the progress made on planning goals, objectives, and policies?
Commercial v. Residential	Richard Aber	No distinct commercial zones. Preserve sanctity of residential areas. Limit commercial take-over of residential areas. Prioritize residential areas as protected. Keep commercial from “creeping in”.
Comprehensive Plan requirements	Glenese Pettey	Originally thought a comprehensive plan was arbitrary but has since learned it is mandated by state law.
Residential and office	Debbie Adamson	Business office next to residential areas is a problem – sets a precedent and neighborhoods can disintegrate. Limit business offices in residential areas. Business in a residence not the same as residences and offices.
Neighborhoods	Kellie Kelso	Neighborhood should have limited commercial development. Have focus of commercial development in city centers.
Industrial parks	Richard Kelso	Consider creating/allowing industrial parks off highway where there is infrastructure.
Economy drives uses	Christine Hutchison	Boom-bust economy a factor in development.
Public lands – city legacy	Richard Kelso	What is city’s legacy? Repercussions will result from what is preserved or developed. Public land (i.e. city ownership) preserved for future use and enjoyment. What about where commercial meets residential uses? Is that mixed use?
Parks	Barbara Ruckman	Parks important – Lief Hanson Memorial and the bluff.
Commercial on major streets Driveway access	Tim Navarre	DOT has certain rules about driveway access to major roads (sometimes it’s first-come-first-serve). Take more proactive role in regulating strip development? Consider creating/requiring dual entrances between neighboring parcels. If parcels are 5 acres or larger, they can ask for their own zone.

TOPIC	COMMENTER	COMMENT
		Residential properties – there are no restrictions on tree-cutting; no buffering requirements or restrictions/regulations re tree-cutting or clear-cutting one's own lot. Consider buffer requirements where residential backs up to commercial and industrial.
Airport lands	Richard Aber	Airport land – city sold land with buffer strip/trees. Concerned with clear cutting buffer strips between residential and commercial.
Buffer strips	Christine Hutchison	How are buffers enforced and monitored? Through permitting/building permits.
PINK	Pat Faulkenberg	PINK zone – Protect Individual Neighborhoods in Kenai . Neighborhoods need a say on development.
Required v Preferred?	Howard Hill	Objectives/policies should require not say preferred
Buffer zones? Allowable uses	Mayor Pat Porter	“Encourage buffers” too weak – consider requiring it.
Clear cutting trees	Pat Faulkenberg	Concerned about duplexes next to where land was clear-cut for building were not completed.
Residential and commercial	Tim Navarre	Comprehensive Plan does not set the rules – it's a plan to move the city in a direction. Provides ideas that inform ordinances and rules.
Residential and commercial	Kit Hill	Neighborhood Residential, Neighborhood Commercial, and Neighborhood Institutional: need design guidelines. Concerned with parcels being rezoned.
Comprehensive plan requirements	Christine Hutchison	Comprehensive Plan – is it an enforceable document? City Council and P&Z are enforcement.
Public lands	Richard Kelso	Public improvements - city-owned lands: things dedicated to conservation need to remain protected.
Airport, dock	Christine Hutchison	Is there a new Airport Master Plan? Yes – we are using it for the comprehensive plan. There is an updated Airport Layout Plan. Re docks – does the plan identify policy re docks and include definition?
Dock	Matt Kelley	Tidelands - city owns tidelands; leased out; not addressed in comp plan presently
Educational zones	Mayor Pat Porter	Educational zones and where should zones be

TOPIC	COMMENTER	COMMENT
Bike path connections	Glenese Pettey	Need bike path connection across Bridge Access Road – designated as path.
Trails	Henry Knackstedt	Unity Trail – completed
	Tim Navarre	Trail is a city and state project.
Natural setting	Richard Aber	Natural setting- want these open spaces and conservation areas to be kept.
	Christine Hutchison	Land use meeting – will we see this include.
	Matt & Elizabeth	Incorporation of this information gathering will be used to create draft land use map
Land use v zoning	Henry Knackstedt	Difference between land use and land zoning – conservation within the airport is different type of conservation than thought of. Airport conservation is conserved for airport uses. Need to clarify differences in terminology.
2013 and 2003 plans	Mayor Pat Porter	Clarify 2013 to be used as a draft.
	Pete Hanson	2003 Plan more direct; 2013 Plan lays out strategies.
	Tim Navarre	2013 Plan includes information not available in 2003 Plan
	Christine Hutchison	Terminology has changed.
Closed Meeting at approximately 12 noon		
Matt Kelley and Elizabeth Benson Thanked everyone for their participation and comments.		

Kenai Comprehensive Plan 2016 Town Hall Meeting #3

April 26, 2016 from 6:00 p.m. to 9:00 p.m.

Kenai Senior Center

Meeting Notes

Matt Kelley opened the meeting with introductions and purpose of the meeting. He explained that he would be displaying the City's Geographical Information System (GIS) data to support the discussion of land use classifications. Elizabeth Benson gave an overview of the difference between land use classifications and zoning designations. Elizabeth led the participants through a matrix/table that described the current 2003 (adopted) land use classifications and the draft classifications from the proposed 2013 plan. Matt used GIS to display and compare the land use maps from both plans.

Participants asked questions and offered comments about the 2003 and 2013 land use maps, the land use classifications, and uses allowed within each. Participants' comments were recorded on flip charts by Melissa Kelley as well as digitally. Willie Anderson, City Planning Technician, assisted with audience participation. Participants' comments from the flip charts are organized in the table below. The table has been developed in the same format as the Land Use Matrix discussed at the Town Hall.

Town Hall #3 Comment & Commenter	2003 Plan Land Use Classification	2013 Proposed Land Use Classification
Residential Land Use Classifications		
<i>Elizabeth Benson presented definitions of neighborhood and suburban residential and asked about institutional uses and neighborhood commercial. Matt Kelley displayed the 2003 and 2013 classification in GIS.</i>	Neighborhood Residential	Suburban Residential
1. Jeff Twait - Keys Point and Shoreline Heights are examples of Rural Residential subdivisions 2. Glenese Pettey - Clarify that	The Rural Residential district includes areas that, due to location or site conditions, are best suited for large-lot single-	The Suburban Residential district consists of single-family and multi-family residential areas that are

Town Hall #3 Comment & Commenter	2003 Plan Land Use Classification	2013 Proposed Land Use Classification
<p>neighborhood residential intended for areas that have public water and sewer or it is planned, smaller lots, paved streets and that rural residential intended for areas with larger lots, no public water and sewer available (yet), and gravel streets.</p> <p>3. Kellie Kelso - Neighborhood commercial uses should not be allowed in neighborhoods.</p> <p>4. Sandy Ashbrook - There is inconsistency in Neighborhood Residential – clarify wording re having public sewer and water planned and instead include terminology “would be planned” or “could be planned”. E.g. Wildwood subdivision.</p> <p>5. Russell Sonberg– MAPS area – how will it be affected by plan? There is no proposal to change from Neighborhood Residential</p> <p>6. Laura Sievert– do not allow change in plan classification to allow small scale commercial – it’s not allowed now.</p> <p>7. Glenese Pettey– need to define small scale commercial – does it include home-based businesses like photography, midwife?</p>	<p>family residential development. Homes in this district typically rely on individual on-site water supply and wastewater disposal systems. Compatible institutional uses such as churches, schools, and daycare facilities may be intermixed if they comply with zoning design guidelines. Small home-based businesses may be accommodated within certain design guidelines.</p>	<p>urban or suburban in character. The area is higher density, lots are typically smaller and public water and sewer services are required or planned. Streets should be developed to a paved standard and larger subdivisions should provide sidewalks and public areas.</p>
<p><i>Elizabeth and Matt described the rural residential classification from the 2013 and 2003 plan and in GIS. Asked for input on the intent</i></p>	<p>Rural Residential</p>	<p>Rural Residential</p>

Town Hall #3 Comment & Commenter	2003 Plan Land Use Classification	2013 Proposed Land Use Classification
<i>and location of the classification using the 2003 and 2013 GIS.</i>		
<ol style="list-style-type: none"> 1. Laura Sievert - what about conditional use permit process for institutional and home businesses in Rural Residential 2. Sandy Lashbrook – should not include mobile home parks – should be classified as mixed use; be designated as it is; get rid of the “non-conforming” designation. Kenai Peninsula Borough designates mobile homes as commercial. Should not include mobile home parks – should be classified as mixed use; be designated as it is; get rid of the “non-conforming” designation. Kenai Peninsula Borough designates mobile homes as commercial. 	The Rural Residential district includes areas that, due to location or site conditions, are best suited for large-lot single-family residential development. Homes in this district typically rely on individual on-site water supply and wastewater disposal systems. Compatible institutional uses such as churches, schools, and daycare facilities may be intermixed if they comply with zoning design guidelines. Small home-based businesses may be accommodated within certain design guidelines.	The Rural Residential district includes areas that, due to location or site conditions, are best suited for large-lot single-family low-density residential development. Homes in this district typically rely on individual on-site water supply and wastewater disposal systems. Streets typically are gravel and subdivisions do not include sidewalks.
Commercial Land Use Classifications		
<i>Elizabeth and Matt described the central and commercial classifications from the 2013 and 2003 plan and in GIS.</i>	Central Commercial	Commercial
<ol style="list-style-type: none"> 1. Kellie Kelso – keep buffer between Three Bears and neighborhood residential. Suggest open space designation buffer. 2. Henry Knackstedt – land is city-owned and has deed restrictions 3. Jim Glendenning– re commercial along arterials - have arterials been identified? 	The Central Commercial district supports retail, service, and office businesses that serve all of Kenai and the larger region. It is the Kenai sub-region’s main commercial district. Retail, service, office, and public uses predominate. Non-commercial uses, such as public offices, institutional	The Commercial district is intended to create a concentrated, vibrant, and attractive downtown business district which is convenient to both motorists and pedestrians. The district is designed to attract commerce from within and beyond the community itself.

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<p>4. Kellie Kelso – are arterial and other road classifications different?</p> <p>5. Henry Knackstedt – identified same</p> <p>6. Kellie Kelso – is neighborhood commercial along arterials?</p> <p>7. Sandy Lashbrook – land use should match what is existing. Neighborhood commercial should not be pushed into commercial? Mixed use does not go all along the highway. Booths Landscaping should be mixed use. Should not include mobile home parks – should be classified as mixed use; be designated as it is; get rid of the “non-conforming” designation. Kenai Peninsula Borough designates mobile homes as commercial.</p> <p>8. Jim Glendenning– rural residential allows for multi-family.</p> <p>9. Sandy Lashbrook – rural residential includes terminology “low density” – should have low density removed.</p> <p>10. Matt Kelley– replied that city could consider mobile home park land use classification.</p>	<p>uses, and dwellings may be appropriate among commercial uses within mixed use areas.</p>	
<p><i>Elizabeth and Matt described neighborhood commercial classification from the 2013 and 2003 plan and in GIS – continued discussion of commercial uses in residential areas.</i></p>	<p>Neighborhood Commercial</p>	<p>Neighborhood Commercial – not a specific classification</p>

Town Hall #3 Comment & Commenter	2003 Plan Land Use Classification	2013 Proposed Land Use Classification
	The Neighborhood Commercial district applies to areas along the arterial road system that are suitable for small-scale neighborhood-serving retail, service, and office uses.	No other commercial land use classifications included in 2013 draft.
<i>Elizabeth and Matt described the mixed use classifications from the 2013 and 2003 plan and in GIS. Asked about the purpose of the mixed use and where it should be located, using the 2013 and 2003 GIS.</i>	Mixed Use	Mixed Use
	The Mixed Use district fosters a compatible mix of retail, service, office, public, institutional recreational and multi-family residential uses. The district does not prescribe specific proportions for these uses, only that all these uses are desirable within the district. Mixed uses are particularly desirable in the Townsite Historic District and City Center overlay zone.	The Mixed Use district fosters a compatible mix of retail, service, office, public, institutional, recreational and residential uses. The district does not prescribe specific proportions for these uses, only that all these uses are desirable within the district. The Mixed Use classification should accommodate existing similarly developed areas and areas along corridors to provide transitions between the corridor and residential zones.
<i>Elizabeth and Matt described the institutional classification from the 2013 and 2003 plan and in GIS. Asked about whether these uses should be incorporated into existing classes or have a separate one</i>	Institutional – not specific classification	Institutional

Town Hall #3 Comment & Commenter	2003 Plan Land Use Classification	2013 Proposed Land Use Classification
<i>as suggested by the 2013 draft.</i>		
1. Jeff Twait – see the 2003 map for location of institutional classification.	Institutional land uses were not separated out – they were identified as potentially acceptable in residential and commercial classifications provided they are compatible and meet design standards. City uses zoning regulations to address actual location, siting and design of institutional uses.	The institutional district provides an area in which government and tax exempt institutions can offer social and cultural amenities to the citizens of the community. The primary use is public, non-profit, and quasi-public uses including government offices and facilities, schools, churches, and other community-service oriented facilities.
Industrial Land Use Classification		
<i>Elizabeth and Matt described the industrial classifications from the 2013 and 2003 plan and in GIS. Asked if additional industrial classes should be added.</i>	Industrial	Industrial
No specific comments on industrial classification.	The Industrial district identifies areas reserved for manufacturing, warehousing, trucking, marine-related industry and storage, and similar industrial activities. City utilities and safe, convenient vehicular access is critical. Buffers between industrial uses and adjacent non-industrial uses are desirable.	The institutional district provides an area in which government and tax exempt institutions can offer social and cultural amenities to the citizens of the community. The primary use is public, non-profit, and quasi-public uses including government offices and facilities, schools, churches, and other community-service oriented facilities.

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<i>Matt discussed recent adoption of a Light Airport Industrial Zoning Classification to implement the recommendations and land use map from the 2003 Comprehensive Plan.</i>	Airport Industrial	Airport Industrial – not specific classification
No specific comments on airport industrial classification.	The Airport Industrial district identifies airport lands reserved for the Kenai Municipal Airport and its future expansion, and tracts needed for present and future aviation-related uses and activities.	Airport-specific industrial land use classification not included in 2013 draft plan.
Conservation – Parks, Recreation - Open Space		
<i>Elizabeth Benson – explained what is included in the proposed 2013 and existing 2003 plan. Asked if both are needed or if definitions need to be retained, updated, etc.</i>	Conservation	Parks, Recreation, Open Space
<ol style="list-style-type: none"> 1. Richard Aber – keep conservation as it is currently classified. Different than parks, recreation, open space – people bought parcels that were near conservation lands – and believed they would never be developed. Don't want these parcels to be developed. 2. Glenese Pettey– conservation definition – land was meant to be reserved for future use not yet determined. Need distinction between conservation (2003) and 	The Conservation district applies to public lands whose primary use is open space, recreation, fish and wildlife habitat, drainage ways, floodplain, and wetlands. Some public improvements may be appropriate within appropriate design guidelines.	This classification includes public recreation facilities, as well as undeveloped lands intended to provide for conservation of natural or scenic resources. These areas can be used for a variety of passive and active outdoor and indoor sports and recreational activities. Areas that may provide future natural resource development should be included in this category.

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<p>parks, recreation, open space (2013).</p> <p>3. Kellie Kelso – wants a land use designation for “leave this alone” – no development of conservation classification.</p> <p>4. Jeff Twait – land use classifications need to be match with zoning – consider possibly changing naming conventions for conservation.</p>		
<p>Matt Kelley reviewed the plan development process. There is a meeting with the Kenai Chamber of Commerce on May 11. There will be 2-3 Planning & Zoning Commission Work Sessions in May with public hearings in June. The plan will likely go to the City Council in July.</p> <p>Meeting Adjourned at around 8:55 p.m.</p>		