

IMAGINE KENAI 2030

City of Kenai Comprehensive Plan

DRAFT

APRIL 2013

Prepared by Glenn Gray and Associates
Bechtol Planning and Development
Alaska Map Company

City of Kenai Comprehensive Plan

Imagine Kenai 2030

Final Plan

Prepared for: City of Kenai

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Approved by City Council on April 17, 2013



Dear Citizens of Kenai:

On behalf of the Kenai City Council, I am pleased to present to you *Imagine Kenai 2030*, the 2013 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 two-year effort to update the Comprehensive Plan. Your input helped make the plan a relevant document that addresses current and future needs of our community.

Public participation opportunities for the plan revision included two community-wide public meetings, 14

meetings with individual agencies and community organizations, meetings with the board and commissions, over 24 Planning Commission meetings and work sessions, and a community survey about services provided by the City. 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 strategies of the plan. The strategies 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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Citizens of Kenai

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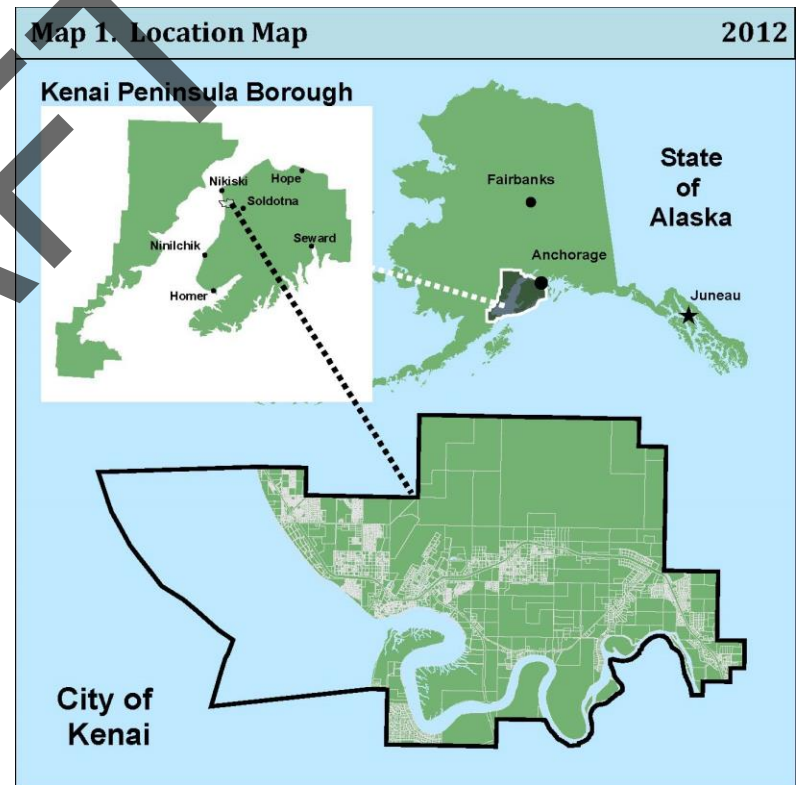
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Chapter 1: Introduction

Imagine Kenai 2030, the City of Kenai Comprehensive Plan (revised 2011-2013) updates the City's 2003 plan. The Comprehensive 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 plans 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 Comprehensive Plan must be adopted by both the City of Kenai and the Borough. The Kenai Peninsula Borough retained platting authority and record keeping, which includes approval of plats that indicate the location, boundaries and ownership of individual properties.

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



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

1.1 Purpose of Comprehensive Planning

The Comprehensive Plan provides a general guide for land use decisions in the City of Kenai. Extensive public participation helped shape the plan to reflect the vision and direction of the community's residents (see Appendix A). The Comprehensive Plan provides a vision for the future, and it provides the legal basis for zoning, land use regulations, permitting, and all land use decisions made by the City.

The introductory and background sections of the plan provide information relevant for managing land uses in the

community. This information describes the current situation regarding population, economic and land use trends.

Zoning and land use regulations that implement the Comprehensive Plan apply to most government and private land within the City. Uses within Native allotments, however, are not subject to zoning and land use regulations. State of Alaska statutes require state agencies to “comply with local planning and zoning ordinances and other regulations in the same manner and to the same extent as other landowners” unless the governor gives a specific waiver (AS 35.30.020 - .030). Regarding federal lands, local planning and zoning ordinances may apply unless specifically preempted. Chapter 2 provides more details about the Planning and Zoning Commission and the context for planning.

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.



1.2 Goals of the Plan

This section presents the 8 general goals of the plan that implement the community's vision of how it will look in the future. Chapter 6 includes more information for each goal, including a vision and the related objectives and strategies. Goals are broad statements that describe long-term desired outcomes. Objectives provide more specific information of what can be done to achieve a goal, and strategies describe specific steps that will be taken to reach an objective.

Goal 1 - Quality of Life: Promote and encourage quality of life elements in Kenai.

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.



Kenai City Hall

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.

While this plan contains a wealth of information, it is not necessary to read the plan from front to back. Instead, readers may wish to focus on those sections of the plan that meet their interest. Chapters 1 – 5 provide introductory material and a context for the goals, objectives and strategies, which are included in Chapter 6 along with a discussion of how the plan will be implemented. The references at the end of the plan

identify studies, reports and other sources of information, and the appendices provide useful additional information. The chapters of the plan and appendices are organized as follows:

- Chapter 1: Introduction;
- Chapter 2: City of Kenai;
- Chapter 3: Native Community;
- Chapter 4: Background Information;
- Chapter 5: Land Use Plan;
- Chapter 6: Goals, Objectives and Plan Implementation;
- Appendix A: Public Outreach and Participation;
- Appendix B: Economic Indicators;
- Appendix C: Millennium Square Conceptual Drawing; and
- Appendix D: Summary of Community Surveys.

Notes: _____

Chapter 2: City of Kenai

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 section provides information on city powers, the Planning and Zoning Commission, and the context for planning. Section 4.5 provides detailed information about city facilities and services.

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.

As a second-class borough under Title 29 of the Alaska statutes, the Kenai Peninsula Borough shall provide for planning, platting, and land use regulation. The statute 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 and to adopt a comprehensive plan. The Borough must also adopt the comprehensive plan. 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. The most important duties of the Planning and Zoning Commission are to:

- Approve/disapprove various permit applications;
- Interpret the Kenai Zoning Code;
- Review the city's Comprehensive Plan annually; and

- Propose plans for rehabilitation or redevelopment of areas within the city.

The Commission advises the City Council on:

- Amendments to the Zoning Code and Map;
- Petitions for lease or sale of city and airport land; and
- Capital improvements.



April 2011 Public Meeting on Comprehensive Plan

² Kenai Peninsula Borough Ordinance 84-40.

³ Kenai Peninsula Borough Ordinance 90-31.

The Commission advises the Kenai Peninsula Borough Planning Commission on:

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

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

2.3 Context for Planning

The City of Kenai has a solid foundation for 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). Each plan revision reflects the circumstances and development priorities at the time of revision.

The current plan builds upon previous planning efforts completed by the City of Kenai, the Kenai Peninsula Borough and other entities referenced in Table 2. A full citation for the plans can be found in the references at the end of the plan.

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, with its population forecasted to reach 13,350 persons by 1980. The plan stressed land development and basic infrastructure and proposed Kenai's first planning ordinances.
1965	New opportunities from the transfer of the airport to City ownership in 1963 prompted this update of the 1962 plan. The plan proposed development of a major new public office and commercial district on surplus airport property in central Kenai and creation of a historic district for Old Kenai. The plan also proposed 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. This 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 (revised 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.

In charting its future course, the City of Kenai benefits from a number of social, economic and geographic characteristics.

- 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.

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

Table 2: Documents Related to the Comprehensive Plan

Planning Document	Year	Entity
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 AmericorpsVISTA
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

*The Kenai Peninsula Borough Coastal Management Plan is no longer enforceable because the Alaska Coastal Management Plan terminated on July 1, 2011.

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

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.

Notes: _____

Chapter 3: 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 is recognized by the federal government under the Indian Reorganization Act (IRA) of 1934 (as amended for Alaska in 1936).⁴ Many of the Tribe's 1,236 members



live on the Kenai Peninsula. An elected Executive Council governs the Tribe in accordance with the Tribe's constitution, bylaws, ordinances, and resolutions. As the tenth largest employer in the region, with over 100 employees, the Tribe generates a significant part of the local economy. It manages environmental, health, social, cultural, and educational programs. It manages the Dena'ina Health Clinic, the Dena'ina

⁴ The Kenaitze Indian Tribe is on the list of federally-recognized tribes which means it is recognized as having a government-to-government relationship with the United States and that it is eligible to receive funding and services from the Bureau of Indian Affairs (Bureau of Indian Affairs 2010 and 2012).



Dental Clinic and the Nakenu Family Center in Kenai. During 2012, the Tribe began construction of a health and wellness center in Old Town that will consolidate health programs at one

site. In addition to health, educational and cultural programs, the Kenaitze Tribe operates a subsistence fishing net and distributes salmon among tribal members.

The Kenaitze Indian Tribe operates a Tribal Court under its sovereign authority and under the oversight of the elected Tribal Council. The Court consists of a panel of judges appointed by the Tribal Council, and the Court selects a Chief Judge. The Tribal Court Code outlines the structure and procedures of the Court.

During meetings on the Comprehensive Plan revision, representatives from the Kenaitze Indian Tribe expressed an interest in developing maps and signage to reflect traditional place names. The Kenaitze Indian Tribe is investigating ways to fund this initiative.



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.⁵ 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.

⁵ A 13th corporation exists for Alaska Native people living outside of Alaska when ANCSA was passed.

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.⁶ 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.

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.

Notes: _____

⁶ The Kenai National Moose Range eventually became the Kenai National Wildlife Refuge.

Chapter 4: Background Information

The information in this chapter provides background for the land use plan (Chapter 5) and the goals, objectives and strategies (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.

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 consider they have lived in the area since time immemorial, a period that is beyond the reach of memory or record.

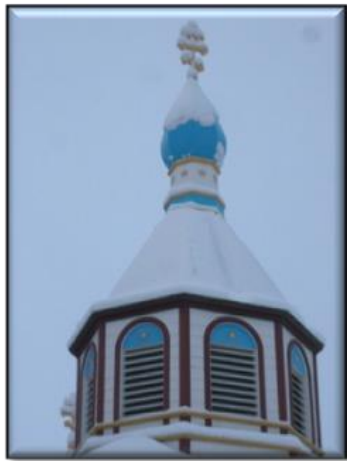


Buildings at Historic Townsite from the Early Community Building Era

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 wall 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).



**Assumption of the Virgin Mary
Russian Orthodox Church**

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. 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).⁷ 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, and winter temperatures from 4 to 22 degrees Fahrenheit. Average annual precipitation is 20 inches.

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 may affect the

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

⁷ The Anadromous Fish Catalog may be viewed at the following website: <http://www.adfg.alaska.gov/sf/SARR/AWC/index.cfm?adfg=maps.interactive>

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 2011.⁸ This document, adopted by the Borough, 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.

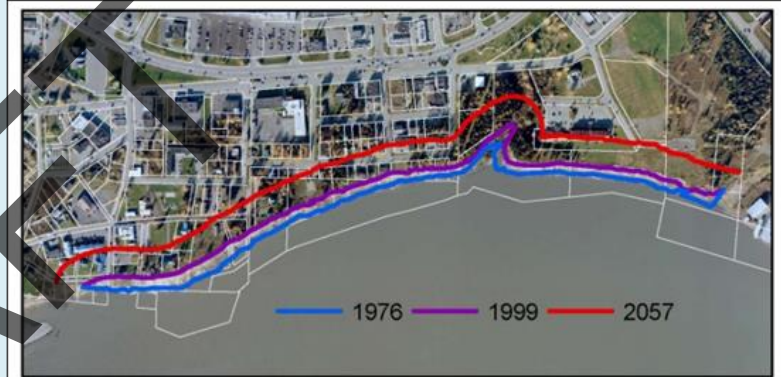
Flooding: With about 2,840 acres of the Kenai River basin considered as a floodplain, low lying areas within the City are susceptible to flood and erosion hazards. Most of the floodplains are publicly owned, and few structures have been built there. A 1995 flood resulted in significant debris flowing in the river, including docks, sheds, propane tanks, and damaged boats. This flood resulted in an emergency response coordinated by city personnel.

Erosion: 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

⁸ 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.

and facilities such as the Kenai Senior Center. An average erosion rate of 3 feet per year has been estimated after comparing aerial photographs over a 50-year period (Figure 1).

Figure 1: Past and Future Projected Erosion Rates



Source: U.S. Army Corps of Engineers 2011

Erosion damage can be costly; relocation of the sewer line and roadwork along Mission Avenue in 2000 cost over \$300,000. Erosion has also resulted in the abandonment of roads and sewer mains. 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).

The City of Kenai has made significant progress towards addressing the bluff erosion along the Kenai River. As of

November 2011, the City secured the full local funding share (35% of the total project costs) of the estimated \$40 million project.⁹ The U.S. Army Corps of Engineers is undertaking a final feasibility study, an environmental impact statement, and a Section 7 consultation with the National Oceanic and Atmospheric Administration.

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).

Coastal Storms: Storms caused by low pressure systems cause damage to the coastline. Even when there are no stormy conditions, storm surges undercut the river banks in the City of Kenai (City of Kenai 2008).

⁹ This estimate includes the added costs associated with the 2011 federal designation of the area as critical habitat for Cook Inlet beluga whale (50 CFR § 226.220). This designation includes the marine waters in Northern Cook Inlet as well as the waters of the Kenai River below the Warren Ames Bridge.

Fire: 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). This risk was greatly reduced by the City of Kenai's initiative to develop a mitigation plan to remove dead and dying trees from approximately 800 acres.

Volcanoes: Volcanoes on the west side of Cook Inlet present risks to the City of Kenai through deposition of ash. In addition, eruptions can cause delays in air service.

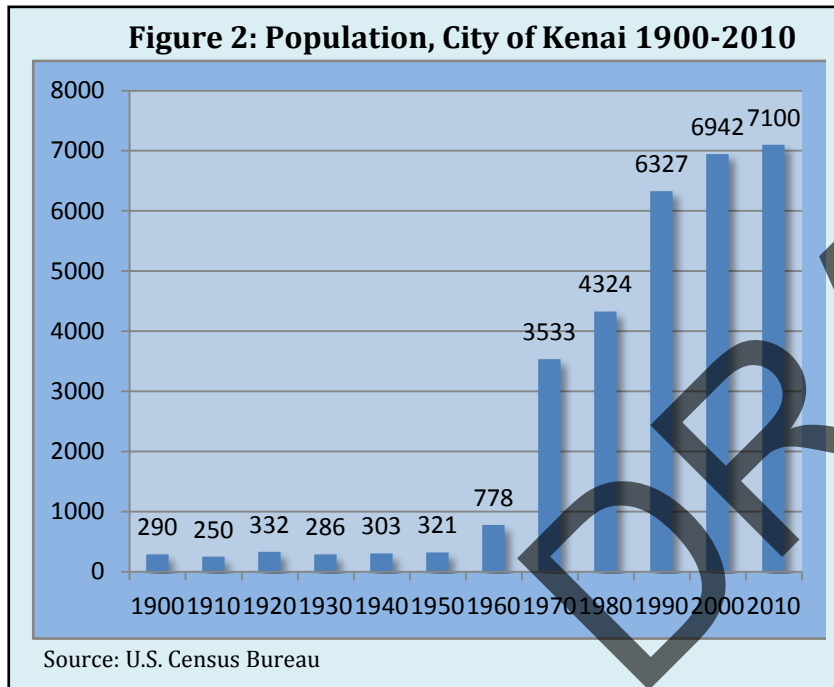
Earthquakes: Southcentral Alaska is a high seismic risk zone. Though Kenai was relatively undamaged in the 1964 earthquake, the potential for seismic events is high. Alaska accounts for 11% of the world's earthquakes, and since 1990 three of the ten largest earthquakes have occurred in the state (City of Kenai 2008). Kenai is, however, 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.

4.3 Population, Education and Housing

The purpose of this section is to provide background about trends that will be useful when implementing the Comprehensive Plan. After information about population, this section continues with statistics about education and housing.

4.3.1 Population

For the first half of the 1900s, the community of Kenai's population hovered 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 (Figure 2).



Since the 1990s, the population has increased at a much slower rate. During the statewide economic slowdown in the 1990s, Kenai's growth lagged, and it added fewer residents than in any decade since the 1950s increasing only 9.7%. The

population increased at an even slower rate over the next decade with a population of 7,100 in 2010, an increase of about 2.3%.

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 a preference of many Peninsula residents to work, shop, and recreate in its cities and live in its rural countryside. This trend was not so dramatic during the period between 2000 and 2010.

Slower economic and population growth and an aging population is changing the make-up of Kenai's population. Consistent with these trends, the median age of Kenai's residents rose from 28.6 years in 1990 to 32.3 years in 2000 and 34.7 years in 2010. As shown in Table 3, Kenai's 2010 population is somewhat less diverse than Alaska as a whole and the United States and less diverse than it was in 2000.

**Table 3. Population Change by Age Group
City of Kenai, 1990-2010**

Age group	1990	2000	2010	Change 1990-2000	Change 2000-2010
Under 18 yrs	2,074	2,277	1,971	+9.8%	-13.4%
18-44 yrs	2,989	2,707	2,513	-9.4%	-7.2%
45 to 64 yrs	1,005	1,515	1,921	+50.7%	+26.8%
65 yrs+	259	443	695	+71.0%	+56.9%
Total	6,327	6,942	7,100	+9.7%	+2.3%

Source: U.S. Census Bureau

The aging of Kenai's population is consistent with national trends as the "baby boomers" reach retirement age. While the City's population is increasing, there has been a greater increase in people older than 45 and a decline of people under that age between 2000 and 2010. Kenai's median age in 2010 was lower than the national median age and slightly higher than that of Alaska.

Since 1990, the average household size in Kenai has continued to decline. As shown in Table 4, Kenai's average household size in 2010 was 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

Table 4. Additional 2010 Demographic Information: Comparison of City of Kenai, Alaska and the U.S.			
Subject	Kenai	Alaska	U.S.
Median Age	34.7	33.8	37.2
Race			
White	79.9%	66.7%	72.4%
Alaska Native/American Indian	8.9%	14.8%	0.9%
Black/African American	0.7%	3.3%	12.6%
Asian	1.5%	5.4%	4.8%
Native Hawaiian/Pacific Is.	0.3%	1.0%	0.9%
Other	0.9%	1.6%	6.2%
Two or more races	7.9%	7.3%	2.9%
Sex			
Male	49.6%	52%	49.2%
Female	50.4%	48%	50.8%
Household Size	2.51	2.65	2.58

Source: U.S. Census Bureau

in housing demand mix, and a shift in local priorities for public facilities and services to meet changing needs of a changing population.

4.3.2 Education

U.S. Census Bureau information for the period 2006-2010 provides information about educational trends.¹⁰ As shown in Table 5, there has been decreased enrollment in high school and younger and increased enrollment in college since 2000. The average estimated percent of high school graduates and people with a bachelor's degree or higher increased for the

Table 5. City of Kenai Educational Statistics 2000 and 2010		
Topic	2000	2010*
School Enrollment		
Nursery/Preschool	91	60
Kindergarten	78	84
Elementary School (grades 1-8)	1,040	869
High School (grades 9-12)	519	483
College or Graduate School	173	295
Total 3 years and older in school	1,901	1,791
Educational Attainment (25 years & older)		
Less than 9 th Grade	3.3%	1.3%
9 th – 12 th Grade, no diploma	8.3%	7.1%
High school Graduate or Equivalency	32.6%	35.3%
Some College, No Degree	33.7%	28.1%
Associates Degree	6.1%	10.2%
Bachelor's Degree	11.1%	11.9%
Graduate or Professional Degree	5.0%	6.1%
Population 25 Years and Over	4,212	4,316

Source: U.S. Census Bureau

*2010 figures are an estimated annual average for 2006-2010

period 2006-2010. For the same period, the percentage of high school graduates or higher in the City of Kenai was 91.6% which was higher than for United States percentage (85.0%) and slightly higher than for Alaska as a whole (90.7%). The percentage of people with a bachelor's degree or higher in the City of Kenai was 18%, lower than that for the United States (27.9%) and for Alaska (27.0%).

4.3.3 Housing

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. The 2010 census counted 3,166 housing units in Kenai, an increase of 13 housing units since 2000 and an increase of 335 units since 1990. In 2010, about 60% of housing units were owner-occupied, single-family homes. Most new dwellings built since 1990 were single-family homes. Most homes are on public water supply and sewage disposal systems and use natural gas. Table 6 provides additional housing information.

Table 6. 2010 Housing Statistics	
Number of Housing Units	3166
Number of Occupied Housing Units	2809
Number of Vacant Units	357
Homeowner-occupied Vacancy Rate	2.3%
Renter-occupied Vacancy Rate	9.4%
Average Household Size – Owner-occupied	2.65
Average Household Size – Renter-occupied	2.29

Source: U.S. Census Bureau

Housing costs for both owner-occupied and rentals are lower in Kenai than in most Alaska localities. In 2010, the average sale price for a single family home in the Kenai Peninsula Borough was \$225,975 compared to the \$278,836 statewide average. In 2010, rentals in the Kenai Peninsula Borough were lower than in all but one of the areas included in the 2010 and Annual Rental Market Survey (Alaska Department of Labor and Workforce Development 2010).¹¹

4.4 Economy

The future of the Kenai's economy is difficult to predict, but recent trends and prospects in several key industries, suggest Kenai's potential for modest economic growth for the foreseeable future. Events, such as significant new oil and gas discoveries, could lead to more rapid growth of the economy than estimated.

This section provides a snapshot of the some of the most important sectors of the economy from information available in September 2011. It includes information from the U.S. Census Bureau, the Kenai Peninsula Borough and Kenai Peninsula Economic Development District (KPEDD).¹² In

¹¹ 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.

¹² The Kenai Peninsula Borough no longer publishes its annual *Situation and Prospects* report.

addition, the KPEDD updated its *Comprehensive Economic Development Strategy and Gap Analysis* in 2010. Appendix B provides more specific information about economic indicators.

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 (Kenai Peninsula Economic Development District 2010). Since the 2010 KPEDD report was issued, there has been increased in oil and gas exploration in the area. The Kenai Peninsula Borough has one of the most diverse economies in Alaska, and this diversity has 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.

Future updates to the 2006 *Kenai Economic Development Strategy* will provide more current economic information for the City. The report includes a work plan that addresses five

topic areas: Education and workforce development, quality of life, business development, infrastructure, and tourism. For each topic, the work plan identifies goals, objectives, strategies and who will be responsible to implement the strategies. The work plan was considered when developing the current comprehensive plan revision.

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, a number of new box stores opened in Kenai, including Home Depot (2004), Lowes Improvement Center (2008) and WalMart Supercenter (2010).¹³ 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.

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. The U.S. Census Bureau's

¹³ During August 2011, the Lowes Improvement Center closed unexpectedly.

American Community Survey for the period 2005-2009 estimates that 69.9% of the City of Kenai's population over the age of 16 is in the labor force, 62.0% are employed, and there is an 11.2% unemployment rate.

The top employers for community residents include the Kenai Peninsula Borough School District, ASRC Energy Services, State of Alaska, Central Peninsula Hospital, Walmart, and the Kenaitze Indian Tribe (Kenai Peninsula Borough 2010). Between 2000 and 2009, there was 26.1% increase in employment while the population only increased 17.2% (Table 7). During this period, employment increased in the following categories: Sales and office, management, construction, service, and farming. Employment decreased, however, in the production category. Table 8 delineates the number of workers by type of industry.

Table 7. City of Kenai Employment Statistics: 2000 and 2009			
Employment Status	Number of People		Increase
	2000	2009	2009
Population 16 yrs and over	4,960	5,811	17.2%
In Labor Force	3,275	4,059	23.9%
Employed	2,858	3,605	26.1%
Unemployed	406	454	11.8%
Not in Labor Force	1,685	1,752	4.0%

Source: U.S. Census Bureau

Using U.S. Census survey data from 2005-2009, 3,036 people (84.2% of the workforce) were in the private sector with

Table 8. City of Kenai Occupation by Type: 2000 and 2011

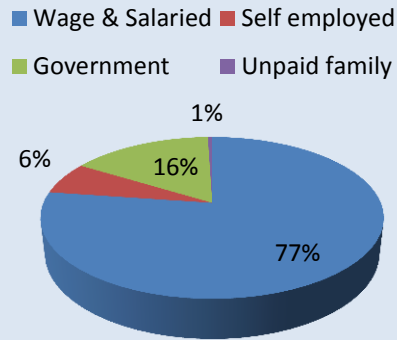
Occupational Type	2000		2011	
	Number	Percent	Number	Percent
Management, Professional & Related	688	24.1%	830	24.5%
Service	539	18.9%	805	23.8%
Sales and Office	744	26.0%	872	25.8%
Farming, Fishing, Forestry, Construction, & Extraction	410	14.3%	504	14.9%
Production, Transportation & Material Moving	477	16.7%	370	10.9%
Total Employed 16 Years and Over	2,858	100%	3,381	100%

Source: U.S. Census Bureau

2,784 of them in wage and salary positions, 234 self-employed, and 18 unpaid family workers (Figure 3). Government workers included 569 people or 15.8% of the workforce. Tables 8 and 9 provide information about occupation by type and by industry.

Kenai is a relatively low-cost labor area. The estimated 2009 annual income for City of Kenai households of \$54,054 was about 18.8% lower than that for Alaska, and the estimated per capita income of \$27,597 was about 6.1% lower than that for Alaska.

Figure 3
City of Kenai Distribution of Employment 2009



Source: U.S. Census Bureau

Historically, unemployment rates in the Kenai Peninsula Borough have been above statewide averages. The estimated unemployment rate in the City of Kenai for the period 2005-2009 was 11.2%, about 2.5% higher than the unemployment rate for the entire state and 2.1% higher than for the Kenai Peninsula Borough.

4.4.2 Business Indicators

This section provides a brief overview of some business indicators.

Sales: The amount of annual sales can fluctuate from year-to-year. For 2009, taxable sales were \$175.7 million (Eubank pers. comm. 2012). The sales business category in 2009

Table 9. City of Kenai Occupation by Industry: 2009

Industry	2009	
	Number	Percent
Agriculture, Forestry, Fishing, Hunting & Mining	347	9.6%
Construction	233	6.5%
Manufacturing	164	4.5%
Wholesale Trade	91	2.5%
Retail Trade	612	17.0%
Transportation & Warehousing & Utilities	223	6.2%
Information	130	3.6%
Finance & Insurance and real estate renting/leasing	145	4.0%
Professional, Scientific, and Management, and Administrative & Waste Management Services	178	4.9%
Educational Services, & Health Care & Social Services	660	18.3%
Arts, Entertainment, & Recreation, & Accommodation and Food Services	376	10.4%
Other Services (except Public Administration)	220	6.1%
Public Administration	226	6.3%
Total Employed 16 Years and Over	3,605	100%

Source: U.S. Census Bureau

represented over 40% of all sales followed by wholesale, services and manufacturing (Kenai Peninsula Borough 2010). The City of Kenai represented an average of 17.5% of the entire share of all sales in the Borough for the years 2004-2009. Retail sales in 2000 totaled \$136.3 million, about 48% of total sales.

Retail Space: In 2008, the retail space increased by 41% from 2000 to 822,853 square feet, representing 27% of the Borough's retail space and 19% of the number of retail buildings.

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 \$19.0 million with a high of \$46.5 million in 2008 (Kenai Peninsula Borough 2010).

Business Licenses: As of July 2011, there were 1,137 licensed businesses with an address in the City of Kenai (DCCED 2011). A better measure of business activity may be the number of businesses reporting sales within the City of Kenai: 1,441 (2010), 1,510 (2009), 1,573 (2008), 1,582 (2007), and 1,556 (2006) (Eubank pers. comm. 2012).

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.

Production to date amounts to 1.3 billion barrels of oil, 7.8 trillion cubic feet of natural gas and 12,000 barrels of natural gas liquids. Oil production peaked in 1970 at 82.4 million barrels, and has fallen steadily since. Cook Inlet natural gas production peaked in 1994 with 311 billion cubic feet (USGS 2011), but production has declined to 111.3 billion cubic feet in 2011 (Alaska Oil and Gas Conservation Commission 2012).

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 estimated there were 109 million barrels of oil and 1.56 trillion cubic feet 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



Drill Rig near Kenai September 2012

million barrels of oil and 46 million barrels of natural gas liquids (USGS 2011).

Since the 2003 Comprehensive Plan, some changes have occurred in the oil and gas sector. As a result of a shortage of natural gas supply, Agrium, Inc. closed the ammonia-urea plant at Nikiski in 2007. In March 2011, ConocoPhillips and Marathon announced plans to place the Nikiski liquefied natural gas (LNG) in warm storage because of declining natural gas supplies in Cook Inlet. The plant remains active due to the new oil and gas exploration, and LNG shipments to Asia.

Oil and gas resources continue to be an important economic influence for the region. Tesoro Alaska's refinery in Nikiski has the capability to process up to 72,000 barrels per day. The refinery processes oil from Cook Inlet sources as well as oil delivered by tanker from the TransAlaska Pipeline terminal. The refinery produces ultra-low sulfur gasoline and diesel, jet fuel, heating oil, heavy fuel oils, propane and asphalt.

Cook Inlet provides Southcentral Alaska with natural gas. The four largest fields produce 86% of the gas reserves. A 2011 study found that Cook Inlet is capable of supplying the gas needs for Southcentral Alaska at a more inexpensive rate than other alternatives until 2018-2020 as long as investments in infrastructure continue (Alaska Department of Natural

Resources 2011). The study also emphasized the importance of natural gas storage facilities in leveling the supplies.

Interest in Cook Inlet oil and gas has been increasing in recent years. Since the State of Alaska implemented its annual areawide oil and gas lease sale program in 2009, the two most successful sales occurred in 2011 and 2012 (\$11.3 and \$6.9 million respectively). During 2011, the Alaska Oil and Gas Conservation Commission permitted 4 new exploration wells (Alaska Economic Development Corporation 2012). As indicated in the following bullets, small independent companies have increased their activities in the region.

- Buccaneer Alaska Operations, LLC, a new independent company operating in Alaska, drilled two wells at its Kenai Loop project in 2011, including a successful well that was brought into production in 2012. The company plans to bring a jack-up rig to Cook Inlet in 2012 to drill wells in the Cosmopolitan, Northern Cook Inlet and Southern Cross units.¹⁴
- Using the first jack-up rig in Cook Inlet in many years, Furie Operating Alaska drilled a well in 2011 in the Kitchen Lights Unit.¹⁵ The company announced it had

¹⁴ Buccaneer plans to complete the first exploration project in deeper waters of Cook Inlet using a jack-up rig since the 1980s.

¹⁵ The company currently named Furie Operating Alaska was formerly called Escopeta Oil and Gas.

made a commercial gas discovery and plans to continue drilling in 2012.

- NordAq drilled a gas well in the Kenai National Wildlife Refuge in 2011, and it plans to drill 6 additional gas wells from the Shadura discovery.
- Linc Energy acquired leases in Cook Inlet in 2010, and while no commercial hydrocarbons were found, it plans to focus future efforts on coal gasification projects in the region.
- Armstrong Cook Inlet began producing gas from the onshore North Fork Unit in 2011.
- Cook Inlet Energy LLC brought the offshore Osprey platform back into production in 2011.
- Aurora Gas continues to produce gas in Cook Inlet, and it has plans to drill new wells.
- In late 2012, Hilcorp Alaska was in the process of acquiring Marathon Oil Company's Cook Inlet assets and bringing the Drift River tank storage facility back online.

In July 2011, the Alaska Department of Natural Resources approved a plan for the Cook Inlet Natural Gas Storage Project. Located in the City of Kenai near the intersection of the Bridge Access Road and Beaver Loop Road, this project includes a compression gas/gas conditioning facility on a 40-acre parcel, and it involves a 6-acre pad with injection wells for storage of natural gas during summer months when there is excess capacity. The stored gas will meet the peak demands for

natural gas during the winter months for the Kenai Peninsula and Anchorage markets.

Construction of a North Slope natural gas pipeline with a spur pipeline to Cook Inlet, or a stand-alone pipeline, could revitalize the role of local gas-based industrial facilities. At the time this Comprehensive Plan was written, plans for a natural gas pipeline were not finalized.

The City's conditional use and subdivision review processes can be effective tools to minimize impacts of oil and gas activities and infrastructure in the community. If conflicts arise in the future, the City may wish to develop guidelines for oil and gas activities as it has done for gravel operations, cell towers and wind turbines.

4.4.4 Commercial Fisheries and Seafood Processing

The commercial fishing and the seafood processing industries, while cyclical, are still the foundation of Kenai's economy and still a driving economic force (Kenai Chamber of Commerce 2012). In addition to some year round and many seasonal employment opportunities, the local commercial fishing and processing industry rely upon numerous local vendors to supply and support their business year round. Seafood processing continues to contribute to the local economy. Companies process salmon, herring, halibut, pacific and black cod and razor clams, including locally caught seafood as well as fish caught in other areas of the state such as Bristol Bay,

Prince William Sound and Kodiak. 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 Alaska Seafood Marketing Institute lists 7 businesses in Kenai that supply seafood, and the Kenai Peninsula Borough recognized the importance of the area by designating it as seafood processing area in its 2008 Coastal Management Plan.

In 2009, 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 (DCCED 2011). While not a complete picture, Table 10 provides a snapshot of salmon and halibut harvests and permit holders between 2000 and 2008.

Table 10: Salmon and Halibut Harvests in Kenai		
Salmon	2000	2008
Kenai Permit Holders	208 with 155 fished	208 with 154 fished
Pounds Landed in Port	3,583,932	5,310,054
Gross Earnings	\$2.1 million	\$4.8 million
Halibut	2000	2007
Kenai Permit Holders	49 with 16 fished	35 with 31 fished
Pounds Landed in Port	153,560	351,304
Gross Earnings	***	\$1.5 million

Source: Kenai Peninsula Borough 2000, 2009

4.4.5 Visitor Industry

The Alaska Department of Commerce, Community and Economic Development estimates that about 500,000 people visit the Kenai Peninsula each summer. While tourism has been one of the fastest growing sectors in the Borough, visits declined from their peak in 2007. 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. Alaska residents represent the largest group of visitors to the Kenai Peninsula. The region’s visitor industry directly supports a variety of local businesses in Kenai. In 2008, there were 1,207 visitor-related businesses licensed in the City of Kenai which



Kenai Visitors and Cultural Center

represented 18.3% of all visitor-related businesses in the Borough. Accommodations, food and beverage sales accounted for an average of \$14.2 million per year for the years 2001-2008 in the City of Kenai, representing an average of 11.7% of sales within the borough (Kenai Peninsula Borough 2009). Visitors to the City of Kenai have decreased in recent years with a high of 45,769 in 1999 to 36,524 in 2007 (for the period June-August of each year) (Kenai Peninsula Borough 2009). These summer months account for over two-thirds of annual visits.

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. Ten percent of the businesses on the Kenai River Professional Guide Association's membership list have a Kenai address; although it should be noted that some Kenai addresses are actually outside the city boundaries (Kenai River Professional Guide Association 2011).

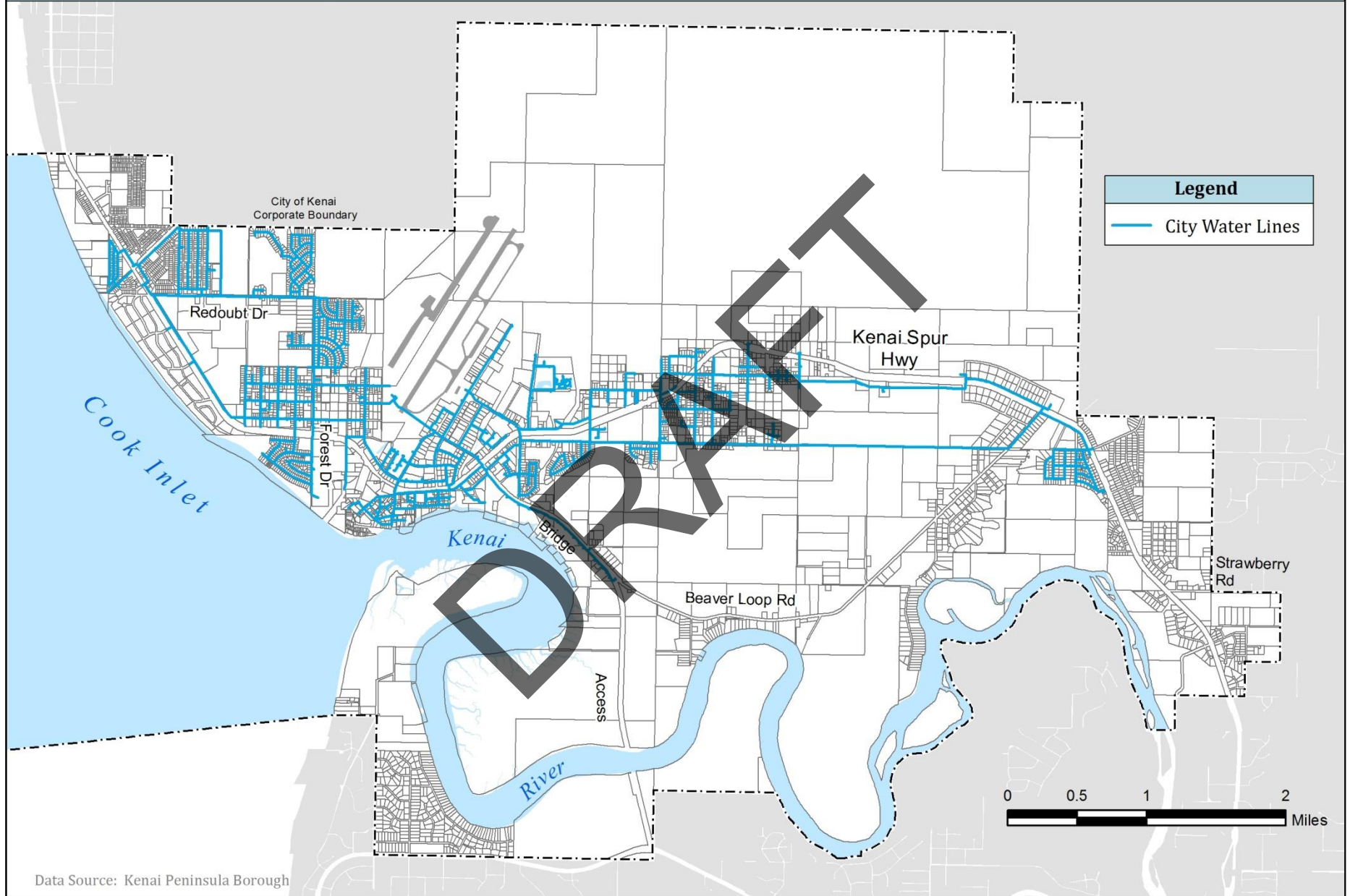
The Kenai Chamber of Commerce and Visitors Center promotes Kenai as a destination, and it operates the Kenai Visitors and Cultural Center. The Center provides information to visitors and it includes exhibits and a gift shop. The Kenai Peninsula Tourism Marketing Council markets the peninsula as a tourist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

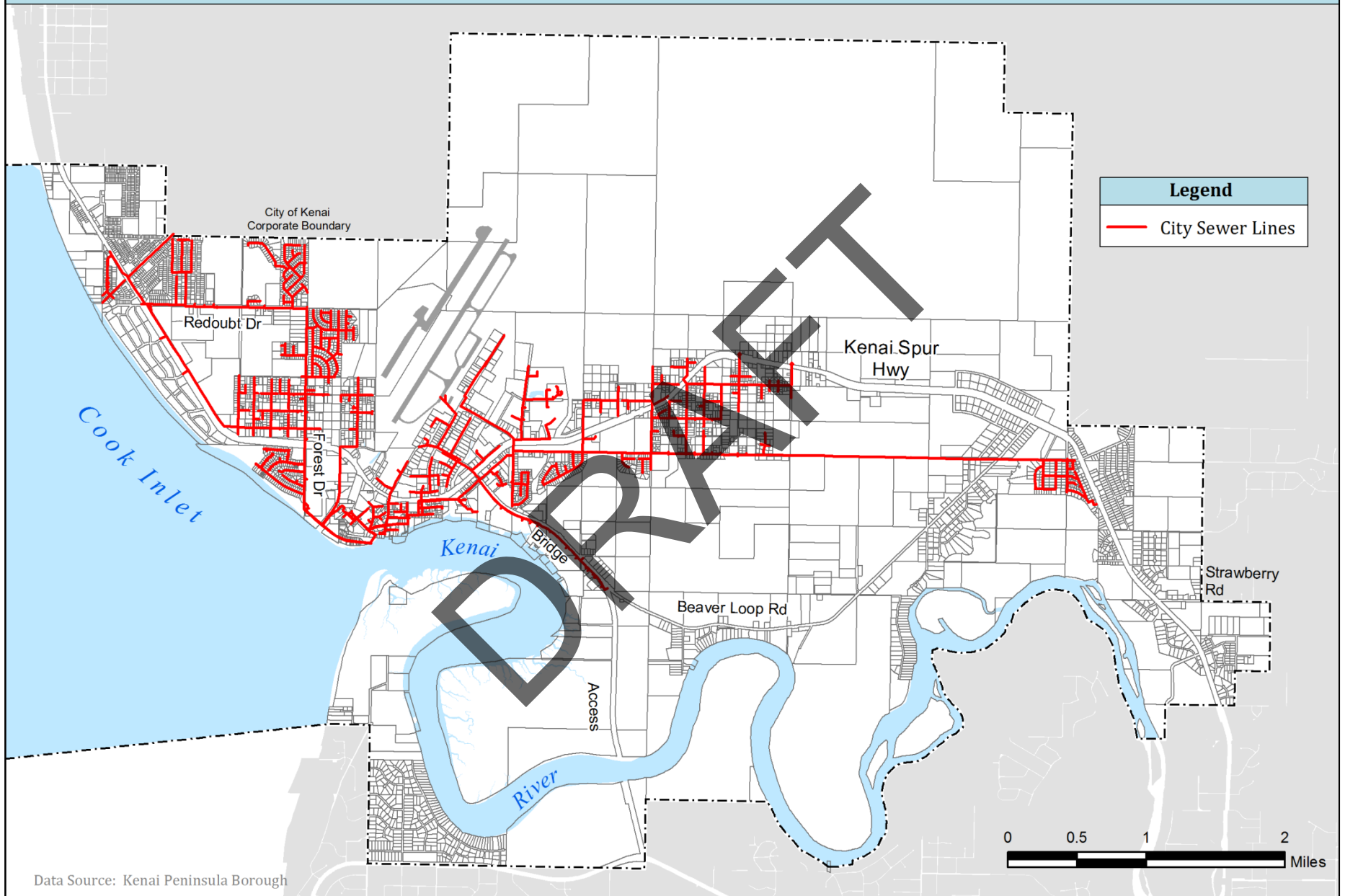


The Popular Dipnet Fishery Occurs each July

4.5 Public Facilities and Services

The City of Kenai provides a variety of services to its residents, local businesses and industries. These services include water and sewer, public safety, library, transportation, parks and recreation, and senior facilities. The areas of Kenai now served by city roads and water and sewer utilities are shown in Maps 2 and 3. The continued provision and expansion of these services will depend on the willingness of Kenai citizens to pay for them or through other funding sources.





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 3 operational well houses. Wells 1 and 3 each produce approximately 5% of Kenai's water. Well 2 produces approximately 90% of Kenai's water and is 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. An additional well has been drilled nearby well 2 and will be brought online in 2013. After the new well is brought online, wells 1 and 3 will be taken out of operation. At least 1 additional well is planned to be drilled near well 2.

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. An Investment Grade Audit is underway to determine the benefits of various upgrades. Improvements that are identified as having a payback time of 15 years or less in energy savings will likely be implemented in 2012 or 2013.

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.



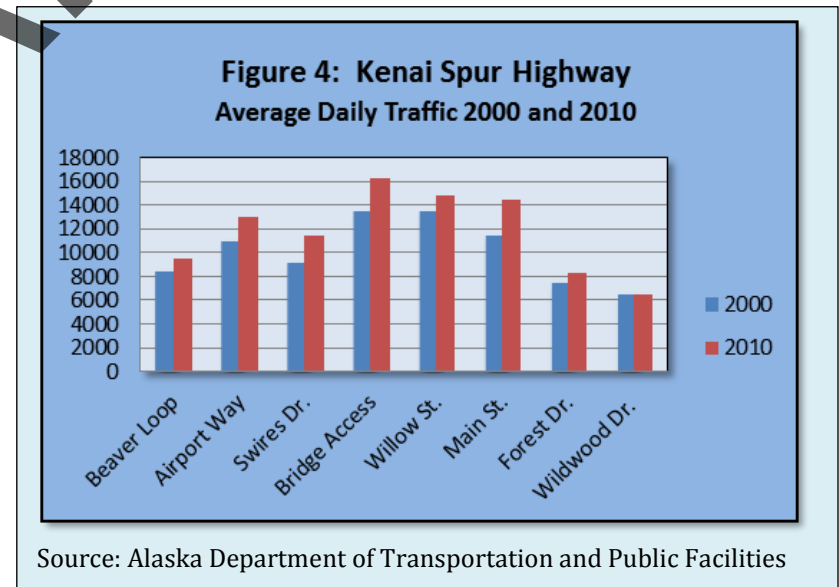
4.5.3 Transportation

A safe, affordable, accessible, and efficient road, trail, marine, and aviation transportation system is essential for community development and expansion in Kenai. 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 (City of Kenai 2009). The 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 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.

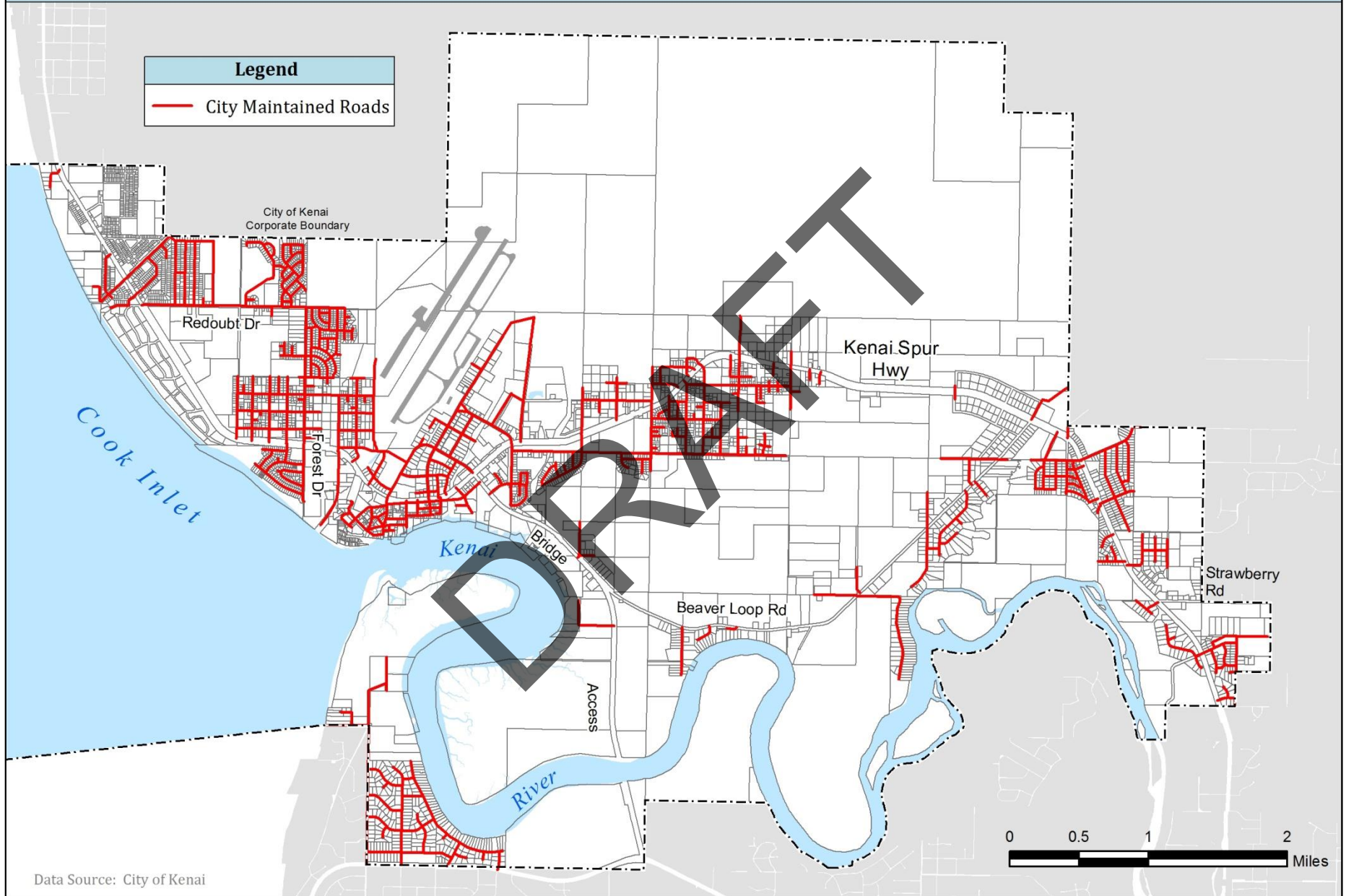
Traffic at intersections along the Kenai Spur Highway has increased an average of 15% between 2000 and 2010 (Figure 4). The greatest increase in traffic occurred at the intersections of Swires Drive (26%), Main Street (26%) and Airport Way (18%).

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 minimize maintenance costs to the City. While Kenai's road system is adequate in many respects, improvements could be made by paving more streets, constructing sidewalks and trail linkages and expanding road shoulders. Future road improvements should be designed to attract and accommodate more traffic within the city center and to improve the convenience and safety of doing business along parts of the Kenai Spur Highway corridor.



Map 4. City of Kenai Maintained Roads

2012



Kenai Municipal Airport: The primary mission of the Kenai Municipal 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 airfield, a major portion of central Kenai, and several undeveloped areas.

The Federal Aviation Administration (FAA) transferred the original airport tract to the City in 1963. Today, the Kenai Municipal 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 enplanements with primary airports defined as commercial service airports having 10,000 or more annual enplanements. The designated



Plane Displayed at the Kenai Municipal Airport

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 7,830-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 tiedown 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 tiedowns 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 in the airport proper. The current conservation zoning designation of airport lands does not support this requirement. The City should consider rezoning these lands to an industrial zone within the Airport Reserve Boundary 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.

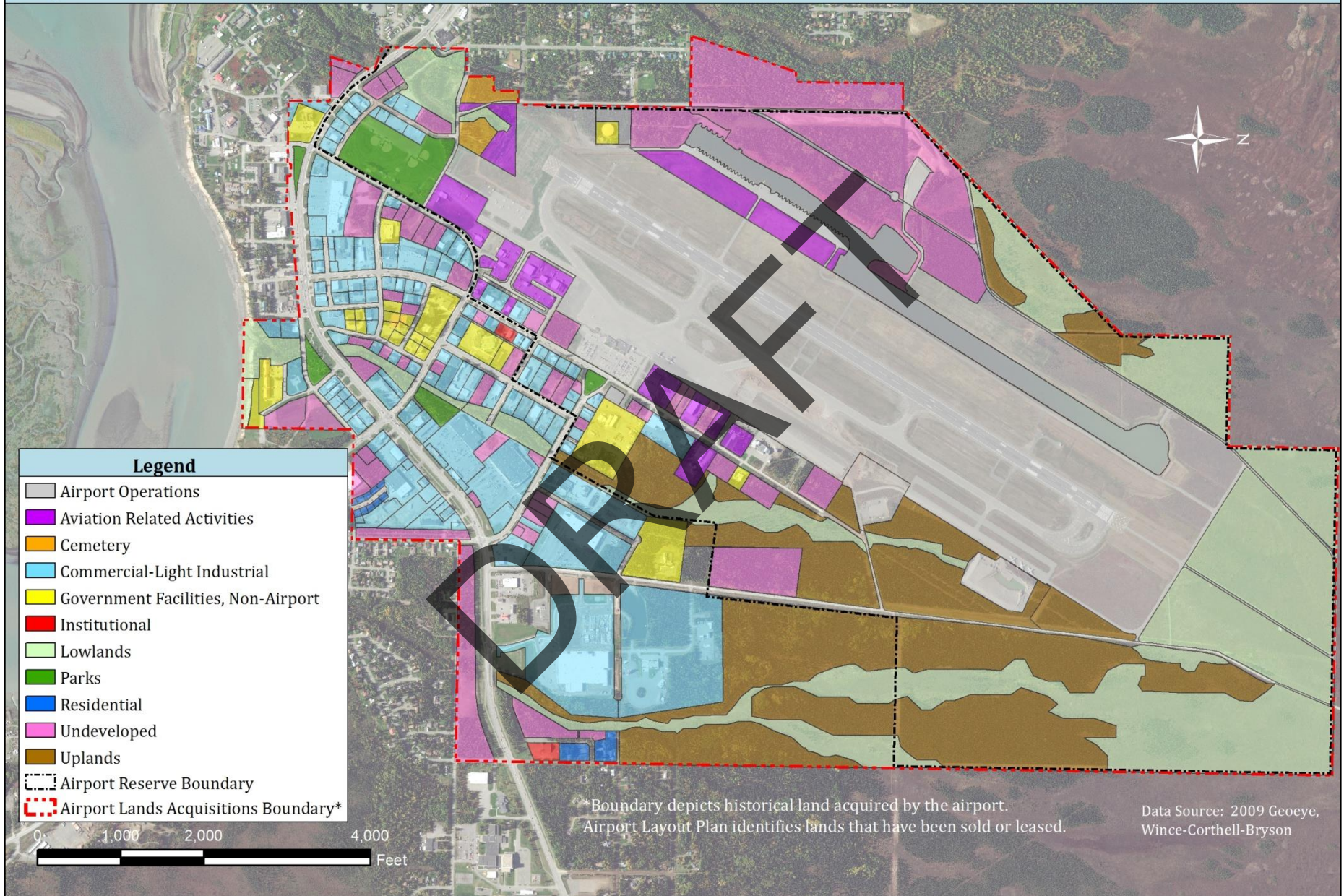
The airport leases a number of developed parcels including the Beacon Occupational Health and Safety Services, City Animal Control Shelter, City shop, the Flight Service Station, and numerous aviation and non-aviation properties. These leases provide funding for airport operations.

The most recent Kenai Municipal Airport Master Plan was developed in 1997, and a Supplemental Planning Assessment was completed in 2007. Funding for new master plan was secured in 2010 and the update to the Master Plan got underway in 2011. It is expected to be completed in 2013. The 1997 Airport Master Plan developed local aircraft noise exposure maps as of 1995 (actual) and estimated aircraft noise exposure by 2015. The footprint of the projected 2015 65 dB DNL is slightly smaller than for 1995 due to proposed airport improvements. In 2001, an updated noise exposure map showed no change to the projected 2015 noise contours. Map 6 depicts current aircraft noise levels. An updated study is planned with the 2012 master plan.

Figure 5 illustrates the enplanements reported to the City between 2000 and 2011 with a high of 103,180 enplanements in 2000 and a low of 76,729 in 2003. There are enplanements that are not necessarily reported to the City that are reported to the FAA.

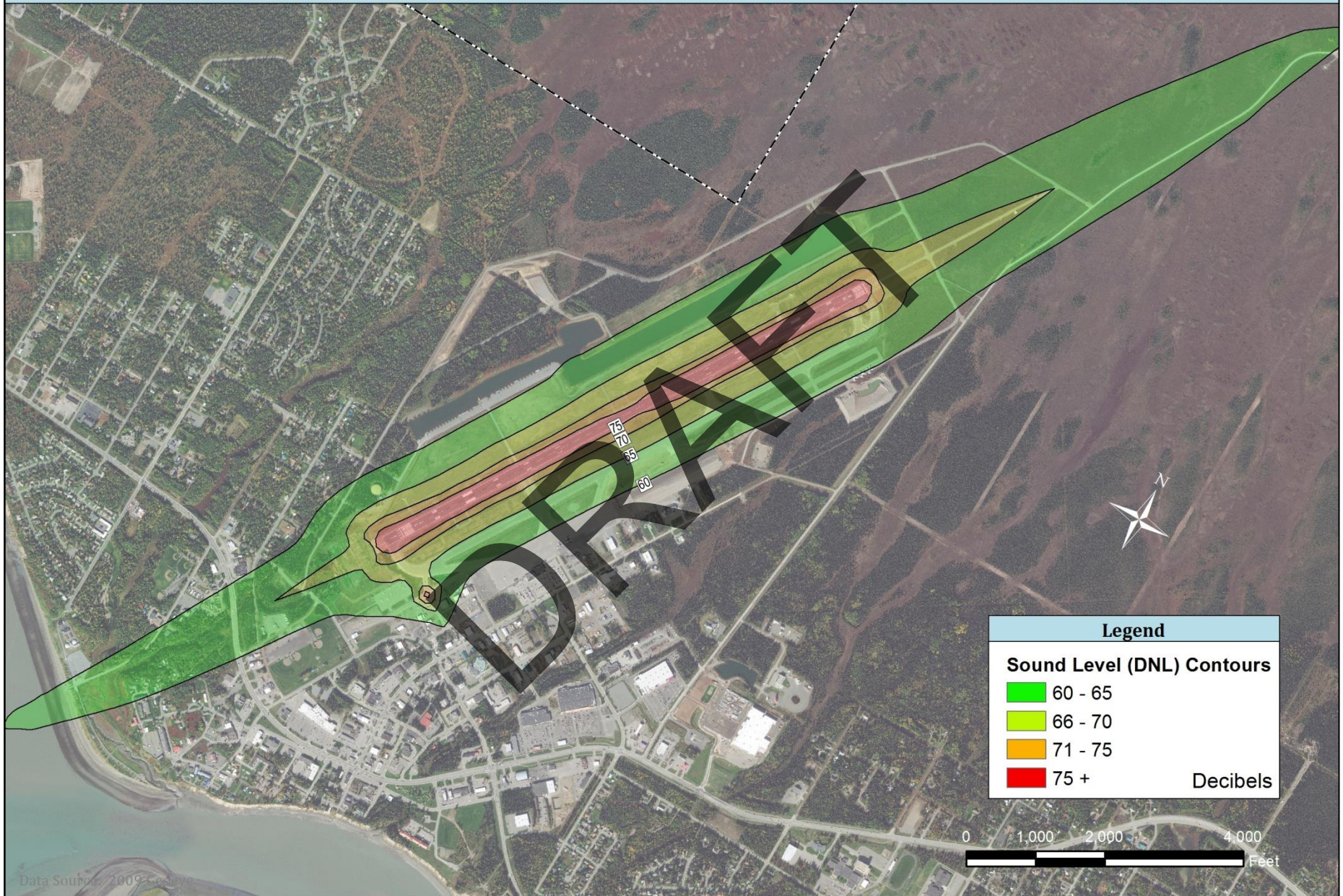
Map 5. Kenai Municipal Airport Existing Land Use Map

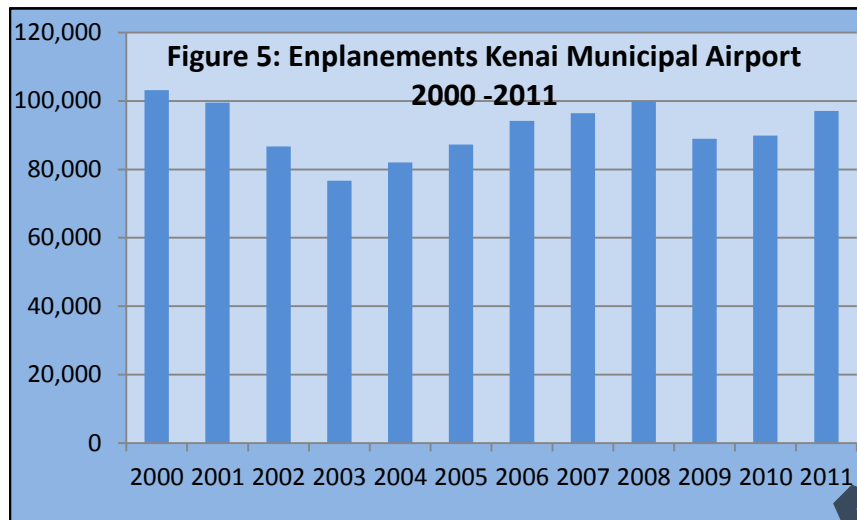
2012



Map 6. Kenai Municipal Airport 2011 Noise Exposure Map

2012





Source: City of Kenai

A study completed in association with the 2005 Kenai Municipal Airport Supplemental Planning Assessment found that the airport had a considerable impact to 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.¹⁶ Also during 2004, the airport and generated a payroll of nearly \$25 million

¹⁶ 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.

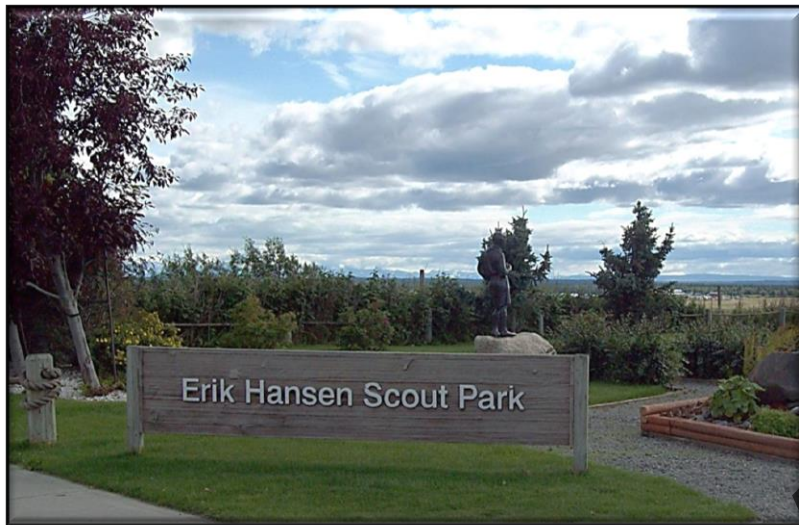
and \$44 million in business revenue (direct, indirect and induced payroll and revenue).

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). Other than the neighborhood parks category, the City far exceeds the National Recreation and Park Association guidelines for parks and open space acreage.





Erik Hansen Scout Park

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 the 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).

The Parks and Recreation 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 (See Table

11). 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 as listed in Table 11. 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.

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.



Gazebo at Leif Hansen Memorial Park

Table 11: City of Kenai Parks and Open Space		
Community Parks & Schools	Acres	Description
Kenai Municipal Park	45.7	Picnic tables, 2 large shelters, BBQ grills, basketball & volleyball courts, ball fields, picnic shelter, observation deck, beach access trail, and restroom facilities
Kenai Park Strip	18.9	4 sports fields with bleachers, dugouts, concession, playground, shelter, picnic tables, BBQ grills, volleyball court, community garden area, and restroom facilities
Beaver Creek Park	5.2	Shelter, picnic table, BBQ grill, basketball court, playground ball 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 ¹⁷	
Kaleidoscope School	n/a	
Mt. View Elementary School	n/a	
Subtotal	4.9	
Open Space and 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

¹⁷ Acreage is not provided for school facilities because they are not managed by the Parks and Recreation Department.

Table 11: City of Kenai Parks and Open Space

Benco Building Greenstrip	0.3	Open space natural area
Scenic Bluff Overlook	1.0	Gazebo and picnic tables
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
Bird Viewing Platform Area	4.8	Elevated viewing platform 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, vendor space, 5 warming shacks, ice (October – March), & ice resurfacers
Kenai Recreation Center	1.7	Gymnasium, bleacher, 3 racquetball courts & teen center (operated by the Boys and Girls Club)
Cunningham Park	2.2	Bank fishing, boardwalk, benches, picnic table and restroom facilities
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	200.0	
Total Acreage	358	Acreage managed by the Parks & Recreation Department

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 7-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, Coho, 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.



Cache near Senior Center



Kenai Congregate Housing

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.

Meeting the needs of seniors is a matter of community concern so long-term residents can continue to retire and 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.

At the end of 2012, two assisted living housing facilities were being developed in Kenai. One, located on Forest Drive, was under construction and was expected to open in early 2013. The facility at the former Anchor Trailer Park was in the early planning stage.

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 monthly Tween Book Club meetings. 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.

The library collection includes approximately 80,000 books, periodicals, videos, audiotapes, music CDs, DVDs and reference materials. Several special collections include Alaskana, Alaska State documents, genealogy, core collections of mental health and consumer health information, large print books, and books on tape. Several Alaska newspapers are received on a daily basis including the Wall Street Journal, and 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, reference materials, live homework help and access to an online language learning program. The library provides access

to the Listen Alaska Plus program allowing patrons to download audio books, music and e-books.

The library is open 60 hours per week with 5 full-time and 7 part-time employees that assist the 14,000 registered users. Eight computers are available for patrons to access the internet, electronic databases, the City of Kenai municipal code 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 is 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.

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.¹⁸ The Center houses a permanent collection of historic artifacts, wildlife exhibits and a gift shop.

¹⁸ 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.



Fishing Boat Displayed at the Kenai Visitors and Cultural Center

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, 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, Oilers Baseball, the Chamber of Commerce and Visitors Center, Industry Appreciation Day, Central Area Rural Transit System (CARTS),

Boys & Girls Club, the Economic Outlook Forum, 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 areawide 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 (FY12) budget projects year-end balances of \$12.0 million (general fund) and \$30.5 million (other governmental funds). Kenai's per capita bonded debt (\$271.13 as of June 30, 2011) is one of the lowest of all Alaskan cities with debt, and well below the statewide municipal average (\$3,957). 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 2012, the City's general fund operating expenditures of \$13.6 million were allocated as follows: Public safety (46.9%), general government (21.7%), public works (17.1%), and parks, recreation and cultural services (14.3%). Special revenue funds of \$6.8 million went for the Airport Fund (39.4%), Water and Sewer Fund (32.1%), Airport Land Sales Permanent Fund (15.2%), the Senior Citizen Fund (11.5 %), and General Land Sales Permanent Fund (1.8%).

4.6.2 Revenues

Kenai levies a sales tax (3% in FY 2012) and property tax (3.85 mills in FY 2012). In FY 2011, sales taxes accounted for 70.4% of city-levied revenues, and property taxes for 29.6%. Several city services (water and sewer, airport) are funded wholly or partly by user revenues.

4.7 Forecast of Economy, Population and Housing Demand

Based on the previous two decades, modest future growth of the City's population and economy can be expected. After the preceding decades of rapid growth, the City of Kenai's population growth rate slowed to less than one percent yearly after 1990.

Similar to population trends, the region's basic economic sectors – energy industry, fishing/fish processing, and tourism – have experienced moderate growth. 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.

It should be recognized that 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.



Leif Hansen Memorial Park Clock Tower

The population of the Kenai Peninsula Borough is estimated to grow by 19.5% between 2009 and 2034, or 0.7% annually (Alaska Department of Labor and Workforce Development 2010). Assuming the same rate of growth for the City of Kenai, the population would be 8,484 in 2030. This growth rate is significantly less than what was estimated in the 2003 comprehensive plan.¹⁹

For planning purposes, the estimate of the City of Kenai's future population and net housing demand uses the 2009 estimated annual growth rate of 0.7% through the year 2035. This growth rate could change with new economic opportunities such as significant discoveries of oil and gas in the area.

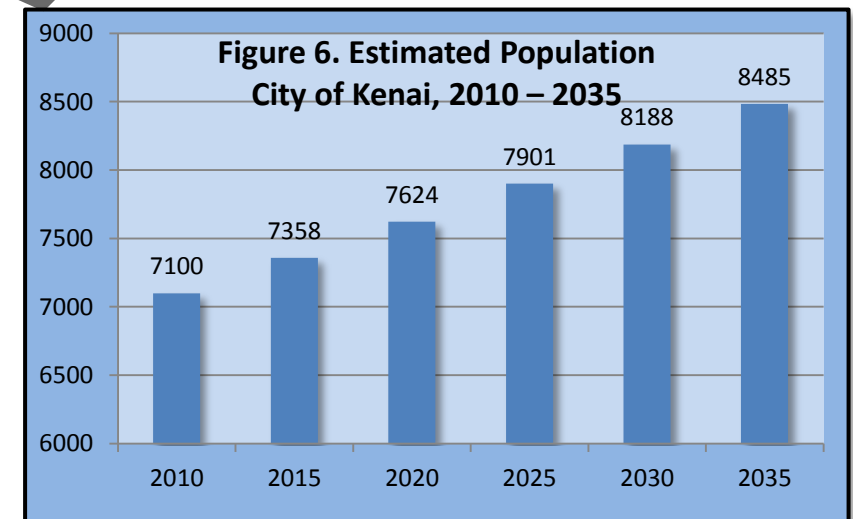
Specifically, it is estimated that Kenai will add about 1,088 new residents by the year 2035 for a total of 8,485 residents, and about 965 additional dwelling units (Table 12 and Figure 6). If actual growth substantially exceeds or lags estimated growth, then population-based decisions about city development priorities can be adjusted accordingly.

Future demand for additional private land development for residential, commercial, and industrial purposes was estimated, based on Kenai's current population and current

¹⁹ In the 2003 Comprehensive Plan, the population of the City of Kenai was estimated to grow by about 35% between 2000 and 2020.

Table 12: Estimated Population and Future Housing Needs City of Kenai, 2010 – 2035¹							
	2010 (Actual)	2015	2020	2025	2030	2035	Change 2010 - 2035
Population	7100	7358	7624	7901	8188	8485	
Net Increase		258	266	277	287	297	1385
Housing Units	3166	3090	3202	3318	3439	3564	
Net Increase		-76	112	116	121	125	398

Source: U.S. Census Bureau



Source: U.S. Census Bureau

land use patterns. By this method, 285 additional acres will be needed to accommodate these future uses. This estimate does not include other private uses or public uses. Table 13 provides a comparison of estimated demand for residential, commercial, and industrial land uses to the existing zoning status of vacant land.

The City's land use plan in the next chapter and its Planning and Zoning Code will help promote an orderly overall pattern of land. The land use plan offers a reasonable choice of suitable locations for uses, separates incompatible uses, maintains the quality of existing development, provides a consistent level of services, and creates a stable, predictable setting for future investment.

Table 13: Current and Future Demand for Commercial, Industrial, Residential, and Mixed Use Land

Type of Use	2012 Acreage		2030 Estimated Acreage		
	In Use	Vacant	Additional Needed	In Use	Vacant
Commercial	214	178	27	241	151
Industrial	232	209	29	262	179
Residential	1,769	2,740	223	1,992	2,518
Mixed Use	44	49	6	50	44

Note: The estimated future demand was calculated assuming an annual growth rate of 0.7%. The commercial category includes Central Commercial, General Commercial, and Central Mixed Use zones. The industrial category includes Light Industrial and Heavy Industrial. Mixed Use includes Limited Commercial 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.

Notes: _____

Chapter 5: Land Use Plan

As a mature community with a forecast for modest growth, Kenai has the opportunity to develop a strategic approach to adjust its zoning districts and consider land use ordinances that will improve public amenities and services. The land use plan provides background information about current issues and land uses that will be useful to frame future planning choices. As a subset of the comprehensive plan, this land use plan includes land use maps, a description of the land use classifications, and a summary of major land uses in the City of Kenai. The land use plan provides background to the goals, objectives and strategies in Chapter 6.

Much of the current infrastructure and city layout is expected to remain in place through 2030, although new growth is anticipated. The land use plan provides information that will be useful to the City as it develops plans to accommodate new growth and improve the quality of the already-built community.

The City of Kenai encompasses 18,231 acres of land and water



Gas Facility in the City of Kenai

or about 28.5 square miles. As of 2012, 20% (3,624 acres) of the city's total acreage included parcels with private or public development with 14,607 acres undeveloped (i.e., acreage of

total parcels without development).¹⁸ Much of this vacant land is unsuitable for development or in public ownership and thus not available for private development.

Kenai is fortunate to have an ample inventory of privately owned, vacant land suited for its future demands. The City of Kenai and State of Alaska also own extensive public land in Kenai, much of it wetlands and floodplains. These public lands have significant habitat, scenic, recreational and natural open space values. With sound land use planning, Kenai can meet the needs of settlement without compromising its natural setting.

5.1 Land Use Maps and Classifications

One of the most important purposes of the comprehensive plan is to guide development through the creation of maps that delineates land use classifications. 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 is included in the final Comprehensive Plan. The intent of the map is to guide future changes to the existing zoning districts, and for that reason they do not exactly mirror the zoning



Kenai Dunes Educational Signage

districts in place when this plan was written. Table 14 describes the land use classifications and which zoning districts relate to each land use classification, while Map 7 depicts the proposed land use plan.

¹⁸ For purposes of determining development, parcels with improvements valued at \$10,000 or more were considered developed parcels.

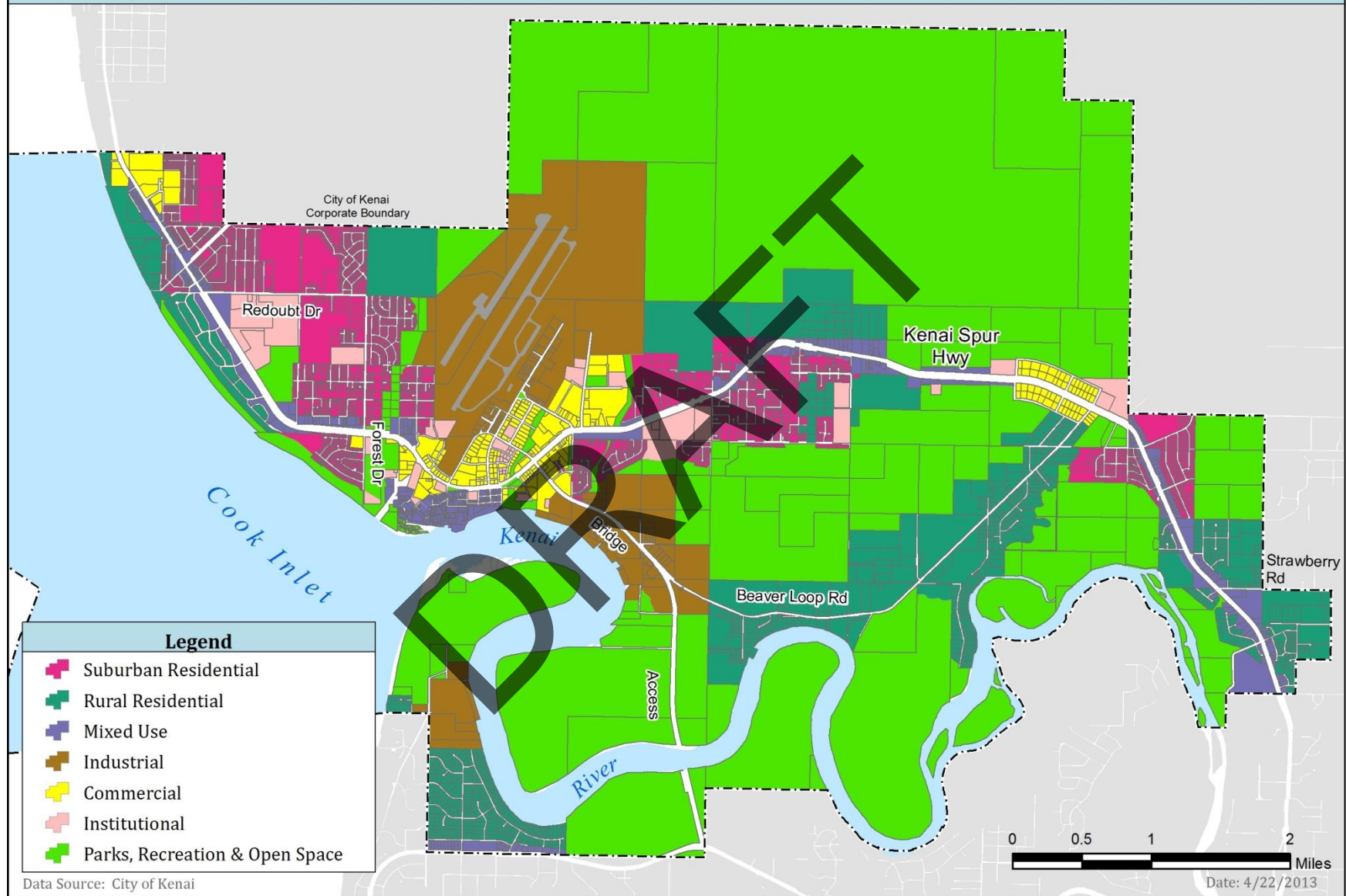
Table 14: Land Use Plan Classifications and Zoning Districts¹⁹

Suburban Residential Land Use Classification	Zoning Districts
The Suburban Residential district consists of single-family and multi-family residential areas that are 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.	Suburban Residential Suburban Residential 1&2 Urban Residential
Rural Residential Land Use Classification	Zoning Districts
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.	Rural Residential Rural Residential 1
Mixed Use Land Use Classification	Zoning Districts
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.	Limited Commercial Central Mixed Use Central Commercial Historic Townsite
Commercial Land Use Classification	Zoning Districts
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.	Central Mixed Use Central Commercial General Commercial Light Industrial
Industrial Land Use Classification	Zoning Districts
This classification includes areas used for production, manufacturing, processing, packaging, distribution, and other similar activities. The noise levels, odors and emissions typically generated are higher than other land uses and may adversely affect neighboring properties. The Kenai Municipal Airport and lands reserved for the airport and its future expansion are included in this category.	Conservation Heavy Industrial Light Industrial
Institutional Land Use Classification	Zoning Districts
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.	All Zoning Districts
Parks, Recreation and Open Space Land Use Classification	Zoning Districts
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.	All Zoning Districts

¹⁹ Areas may include other zones not listed. The zoning listed is a general guide to land use classifications.

Map 7. Future Land Use Plan

2012



The future land use plan map complements the goals, objectives and strategies of the comprehensive plan and provides guidance for land use decisions. Specifically, the map designates land use classifications for major land uses. The land use plan map is generalized; the exact definition of land uses by parcel is to be determined by revisions to the zoning map (Map 8). Areas at or near a boundary will be analyzed under either or both major land use classifications using the goals and development policies in the comprehensive plan.

Kenai's land use plan and related goals, objectives and strategies are a decision-making tool that provides a suggested "blueprint" for growth and change in the community. The Planning & Zoning Commission, the City Council, city staff, and private developers will rely on the plan as they make the decisions that shape Kenai's future. The Proposed Future Land Use Plan and policies are tools Kenai can use to implement a vision for how the community should evolve over the next 20 years.

Although the land use plan includes an analysis of land use, it does not regulate land use. That is the function of planning and zoning ordinances, including the zoning map. The comprehensive plan, however, provides the public policy basis for defining the zoning districts and related development standards that guide what happens in a specific zoning

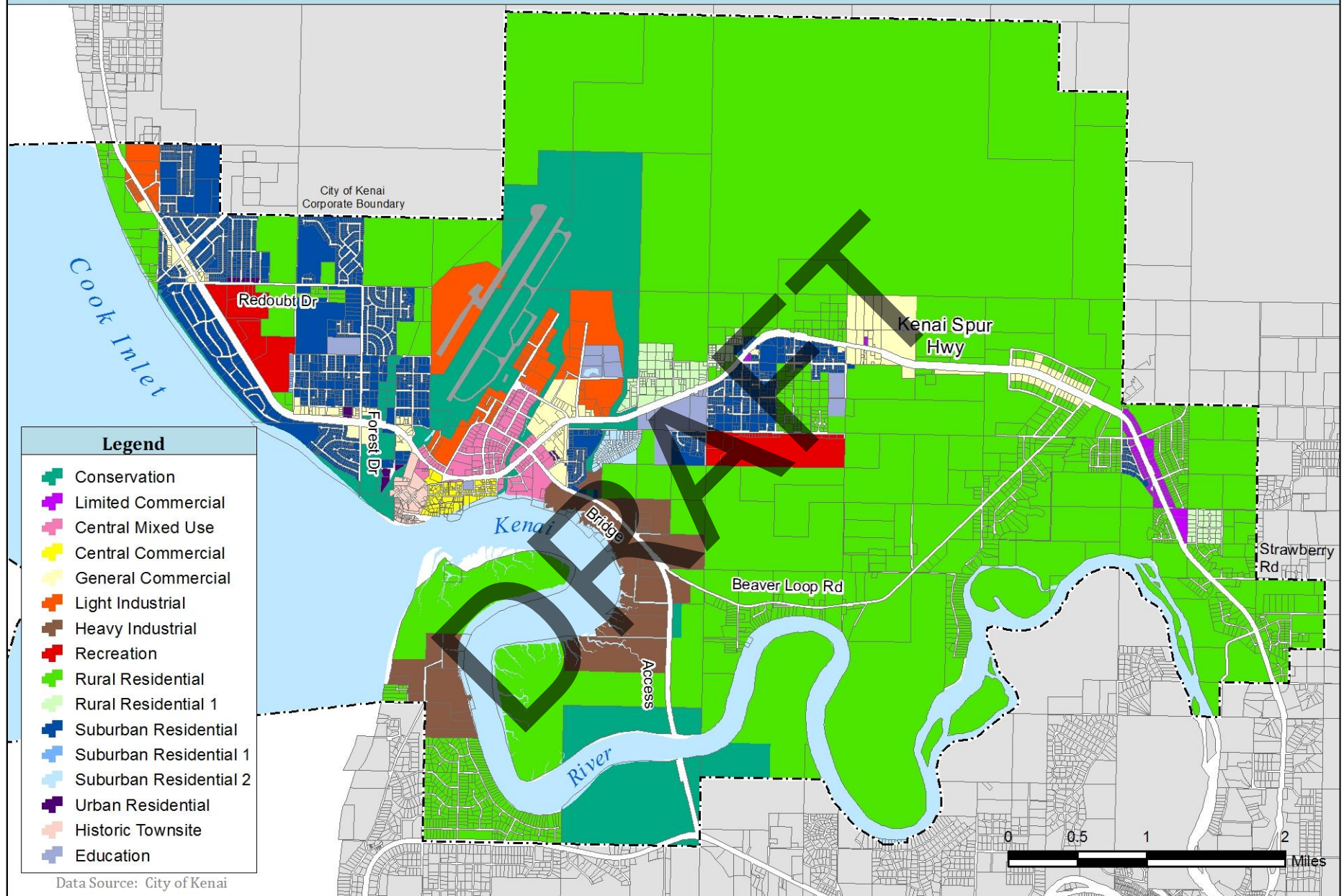
district. The land use map should be used in conjunction with the goals, objectives and strategies to guide growth.

5.2 Zoning Status

Zoning provides the City with its most important tool for determining what types of land uses are allowed in different areas of the city. The City of Kenai Planning and Zoning Code includes 16 different types of zoning districts, and the code includes a land use table that specifies what types of land uses are allowed in each zoning district. The City should consider a review of current zoning to include consideration of opportunities to combine or remove some of the types of zoning districts and consider amendments to the land use tables for residential zones other than Rural Residential 1 in order to protect those other neighborhoods against incompatible land uses and support residential development. Table 15 provides the number of acres in each type of zoning district.

5.3 Existing Land Use and Ownership Patterns

This section describes the major land uses 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.



History, natural features, land ownership, and transportation improvements have shaped Kenai's development and land use patterns. 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. As a result, Kenai's core business area developed east and west along the Kenai Spur Highway. Later 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 its development. Maps 9 through 11 (Aerial Imagery, Wetlands and Floodplains, and Existing Land Use) illustrate the land use patterns that have resulted from the interplay of Kenai's site characteristics and development history.

Some key features of Kenai's development pattern are:

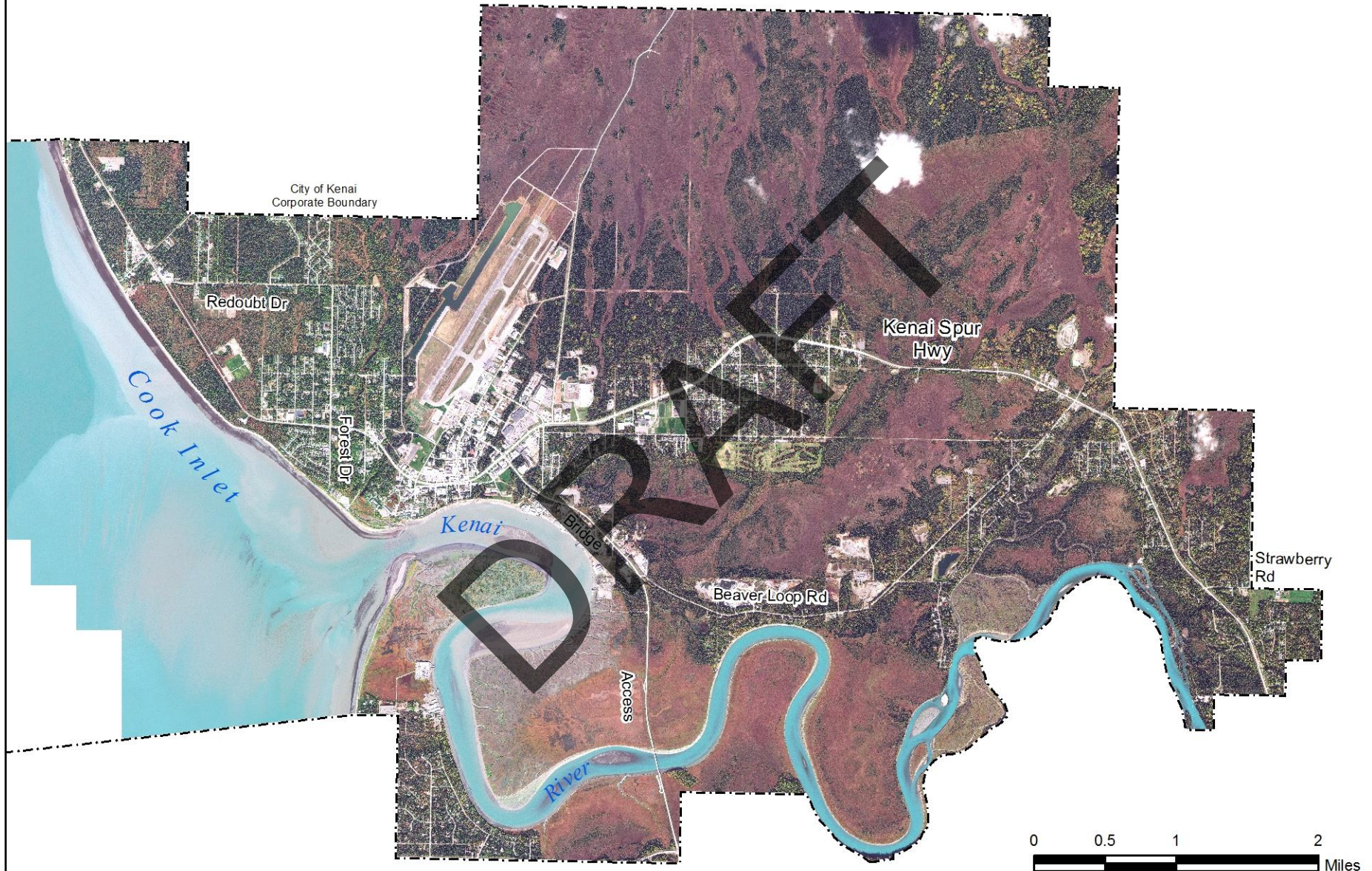
- The main road routes (Kenai Spur Highway, Beaver Loop Road, and Kalifornsky Beach Road) follow well-drained developable upland corridors.

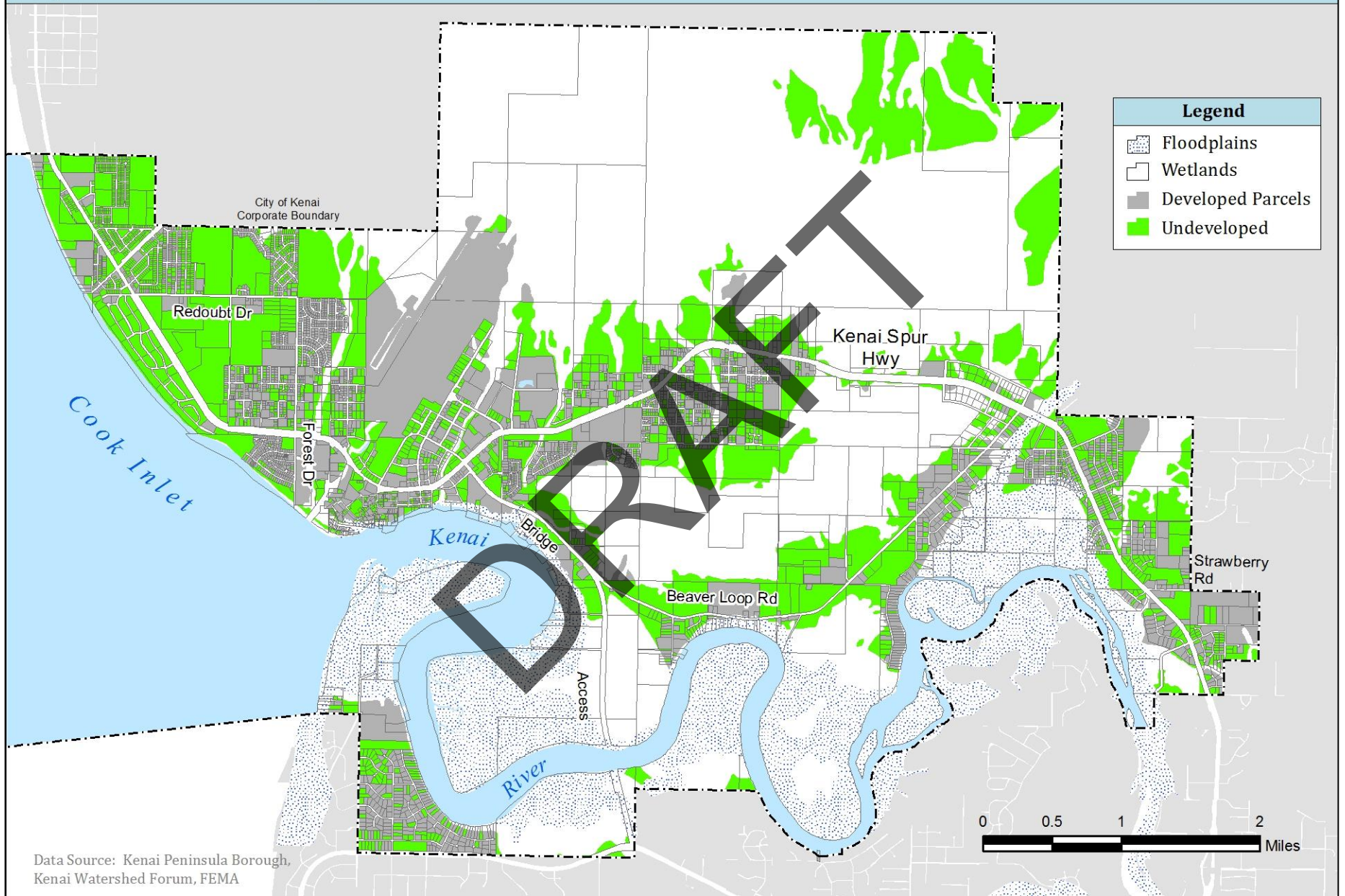
Table 15. Existing Zoning Districts

Zoning District	Acreage
Conservation	1,768*
Rural Residential	12,669
Rural Residential 1	155
Suburban Residential	1,260
Suburban Residential 1	5
Suburban Residential 2	41
Urban Residential	16
Central Commercial	61
Central Mixed Use	178
General Commercial	353
Limited Commercial	56
Light Industrial	472
Heavy Industrial	681
Recreational	299
Townsite Historic	48
Education	170
Split	1
Total	18,231

Source: City of Kenai

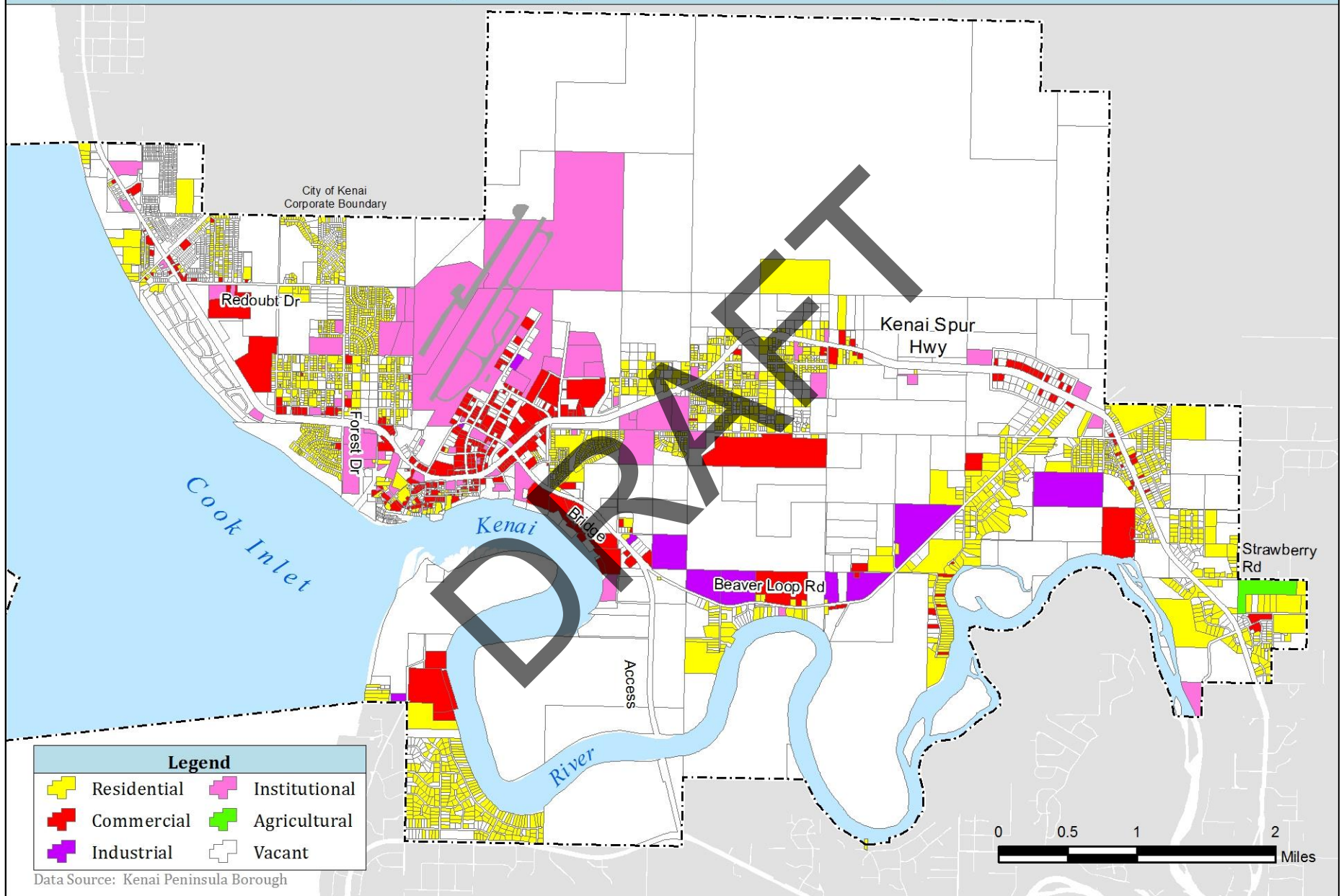
* Ten acres of land zoned Conservation are not included in this total because there is no Kenai Peninsula Borough Parcel number associated with the land.





Map 11. Kenai Peninsula Borough Existing Land Use (based on most current assessment)

2012



- Residential development is dispersed along the main road routes in several urban and semi-suburban neighborhoods defined by natural features and transportation access.
- Most commercial development is located along the major transportation corridors, with the largest concentration clustered near the intersection of the Kenai Spur Highway and the Bridge Access Road.
- Neighborhood-oriented commercial development has emerged at several spots along the highway and secondary state roads.
- The configuration of developable land and road corridors has produced a linear city form with a very high ratio of highway road frontage to settled area.
- Most undeveloped land in the City is wetlands or floodplains, with low development potential, but high value as habitat, natural area, or open space.

Developing residential neighborhoods where underused facilities (roads, water and sewer, fire stations) are already in place or nearby makes full use of existing infrastructure and avoids the cost of new facilities. Similarly, commercial

and industrial uses require supporting infrastructure. Where feasible, infill and reuse of vacant or underused commercial and industrial properties with existing infrastructure is generally more economical than development that requires new infrastructure. Contiguous development costs 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. Contiguous development near existing services makes best use of public development expenditures. Depending on the particular financing arrangement, such as a Local Improvement District, residents in compact, more contiguous developments may subsidize sewer and water service for those in less developed areas.

The broad purpose of the land use plan is to ensure an adequate supply of land that is:

- Suitable for development,
- In an ownership status that will allow development,
- Appropriately zoned,
- Located near needed utilities and services, and
- Located in desirable locations for various types of development.

5.3.1 Land Ownership

Over 66% of the land in the City of Kenai is government owned, about 30% is in private ownership and 4.5% is in Native ownership. Table 16 and Map 12 illustrate land ownership patterns in the City.

Table 16. Land Ownership		
Owner	Acres	Percent
Private	5,485	30.4
State	6,424	35.3
City	4,829	26.2
Borough	852	4.7
Federal	3	0.0
Native	458	2.5
Native Allotments	180	2.0
Total	18,231	100.0

Source: Alaska MapCo (Kenai Peninsula Borough GIS)

5.3.2 Suitability for Development

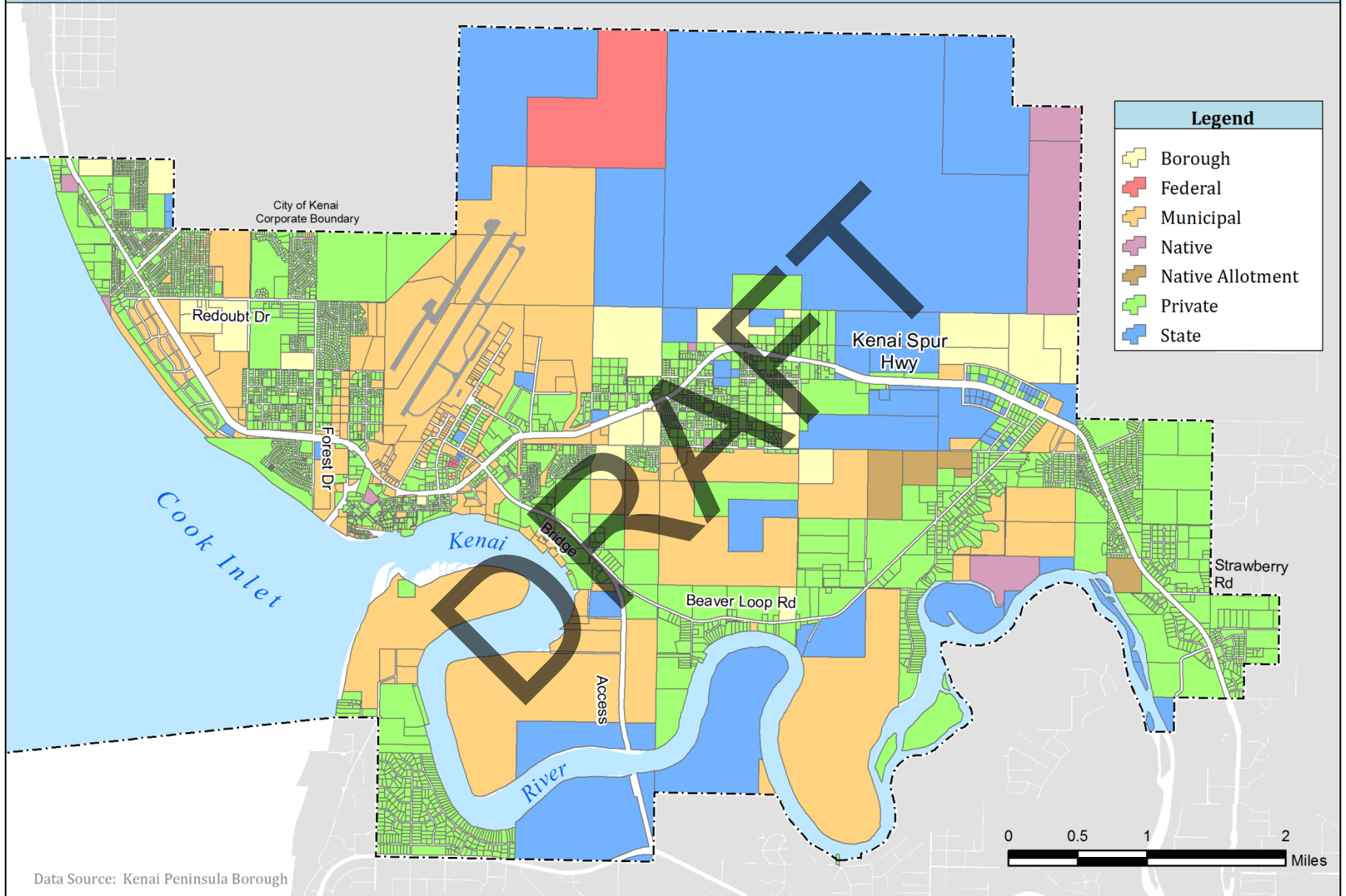
Local natural features have greatly influenced the settlement patterns in the community with most development occurring on well-drained sites along highway corridors. Kenai has a variety of lands that are appropriate for development. Of Kenai's 18,231 acres, about 3,624 acres are already developed.²⁰ Another 3,671

²⁰ Developed acreage was calculated for entire parcels with development valued at \$10,000 or more.

acres are vacant. Approximately 51% of vacant land is in private ownership, outside of wetlands and floodplains, and may be suitable for development (Map 10). Access may limit development in some areas.

Much of Kenai's land base, about 10,600 acres, is publicly owned and 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.

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.

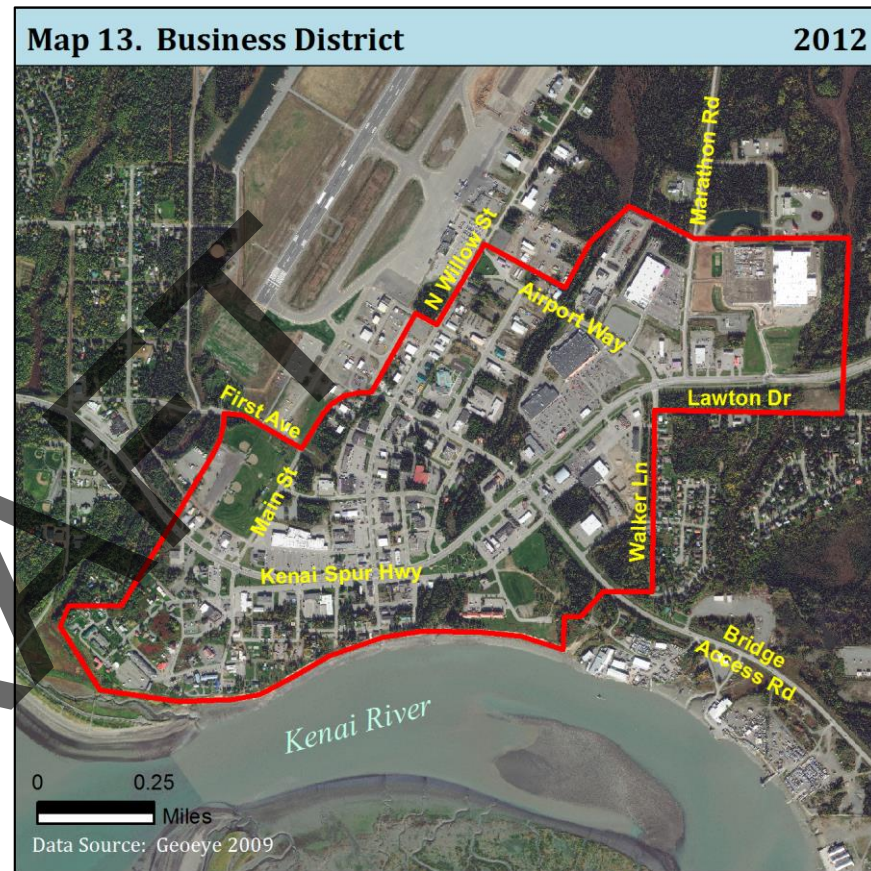


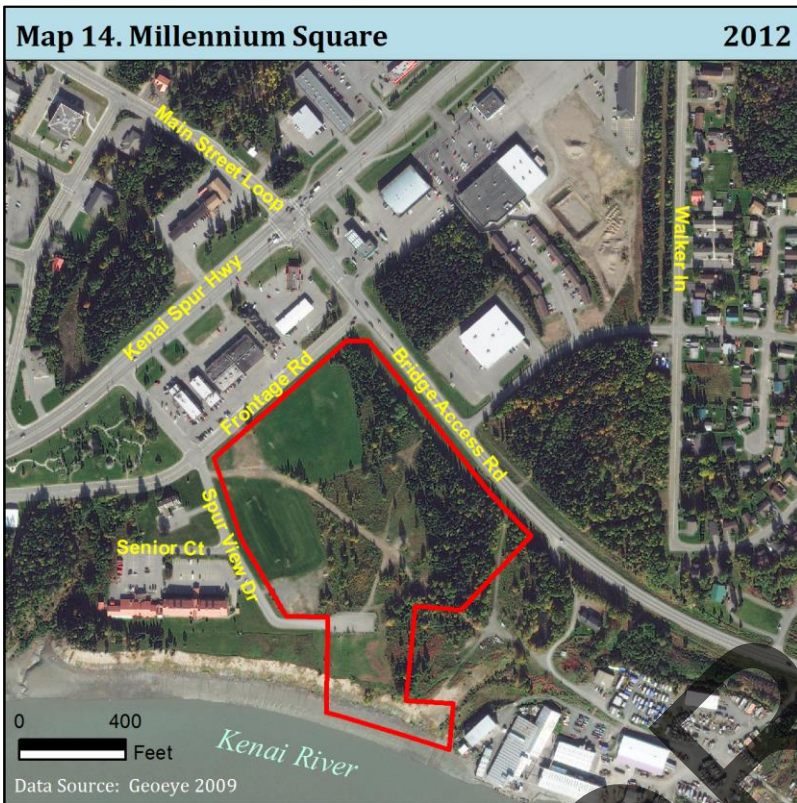
5.3.3 Business District

The business district (Map 13) encompasses an area of commercial development along the Kenai Spur Highway and the mostly undeveloped area adjacent to the Bridge Access Road and the Spur Highway known as Millennium Square.

The City's dominant spatial pattern – linear growth along the Kenai Spur Highway – suits local ground conditions, but it results in a weak, poorly defined city center. The commercial areas in the business district include aging businesses as well as large, new retail outlets.

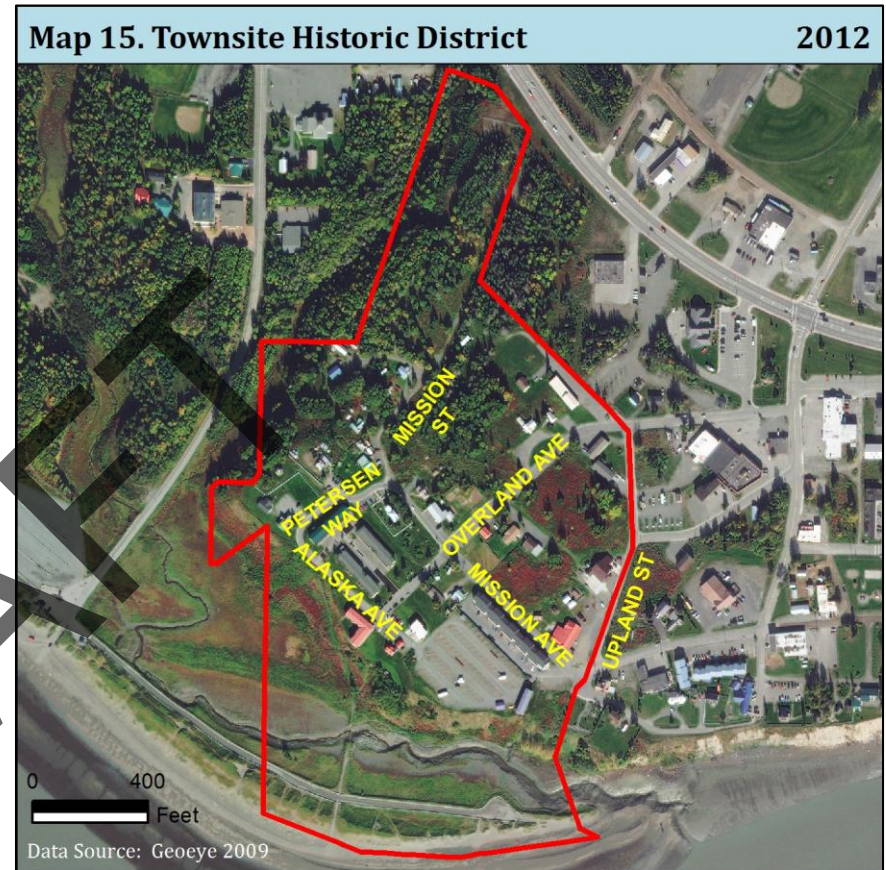
The development of the Millennium Square (Map 14) could be an integral part of redefining the business district. This area, formerly known as the Daubenspeck Tract, encompasses several irregularly shaped parcels totaling over 21 acres. Millennium Square is the last large city-owned parcel of undeveloped land in the city's business district overlooking the Kenai River. This site provides multiple opportunities for development. The Kenai Economic Develop Strategy (KEDS) Committee developed one vision of the future development of Millennium Square as shown in the artist's conceptual drawing (Appendix C).





5.3.4 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 historic



St. Nikolai Memorial Chapel in the Historic District

buildings were lost due 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.

During development of the revision to this Comprehensive 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.

The Kenaitze Indian Tribe broke ground on a new facility in the historic townsite during 2012. The 52,000 square foot Dena'ina Health and Wellness Center will be located on approximately four acres of land owned by the Tribe (Figure 7).



Figure 7: Conceptual Design of Dena'ina Wellness Center

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.

5.3.5 Residential Neighborhoods

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

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



Residence in Central Commercial District

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 City is seeking funding to widen the road shoulders and develop bike paths in this area. 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 rural 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.

5.3.6 Commercial Land Use

Kenai's role as a major trade and services center for the Kenai Peninsula generates local investment, employment, and sales tax revenue. In addition to providing local citizens a varied mix of shopping opportunities, much of the market base lives outside Kenai.

Commercial development has occurred in several places within the community with the major development corridor along Kenai Spur Highway, Bridge Access Road, and in the Business District (Map 13). Businesses prefer to

locate in areas where they will be highly visible to motorists.

As the City of Kenai business district has shifted east, some of Kenai's older business areas are presented with economic challenges. Retail marketing trends, particularly the trend towards big-box retail stores, have weakened some established businesses and forced others to adapt. This trend poses challenges to the success of Kenai's business sector and the community's appearance. Local residents have expressed a strong desire for increased occupancy and improvements to the appearance of older commercial buildings.

5.3.7 Industrial Land Use

Existing industrial land uses in Kenai total about 433 acres, and another 720 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.

Currently, the chief industrial uses are 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. 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.

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. During April 2012, the preliminary plat was approved for the site and construction is expected to begin during the summer of 2013. 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.

While industry is expected to remain a minor land use, 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.

5.3.8 Open Space and Habitats

Open space includes areas managed for parks and recreation, areas zoned for conservation, and undevelopable areas. The city's 358 acres designated for parks, recreation and open space far exceeds the National Recreation and Park Association guidelines for parks and open space acreage, other than the neighborhood parks category (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 nearby the City have also been designated for these purposes, including areas adjacent to the Kenai River.

The City has zoned approximately 1,778 acres for conservation where uses are restricted, although some of this acreage may be more suitable for development (e.g., lands adjacent to the airport).



An Example of Open Space in Kenai

In addition to areas designated for recreation and open space, some areas provide de facto open space because of incompatibility with other uses. For example, wetlands, stream corridors, and utility corridors are not suitable for development.

Open space areas provide outdoor recreation

opportunities, visual and sound buffers and habitats for fish and wildlife. 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.

A strategic evaluation of zoning districts may have merit to determine what areas zoned for conservation would be more suitable for other uses and what areas might be more appropriate for a zoning as conservation. Approximately 1,042 acres owned by the airport currently zoned as conservation should be considered for rezoning for commercial or industrial uses. Areas zoned for other purposes may be more appropriately zoned for conservation. As an example, about 4,600 acres north of the airport, mostly State Mental Health Trust lands, are classified as wetlands, and some acreage in the Kenai River floodplain is zoned as rural residential. These public lands may be suitable for rezoning for conservation because they have negligible development potential and are surplus to Kenai's future development needs.

Notes:

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Chapter 6: Goals, Objectives, Strategies, and Plan Implementation

6.1 Introduction - Framework for the Future

The following tables list the critical plan elements of *Imagine Kenai 2030* Comprehensive Plan.

Issues are also listed. These are areas of concern that were identified during the public process, would benefit the city but may not fall within the purview of city government, or may be a long-term objective (over ten years) so would not be acted on during the strategic plan for this Comprehensive plan.

The visions, goals, objectives and strategies were obtained from the public, business owners, Native organizations, civic organizations, Planning Commissioners and city staff from April 2011 through April 2012.

The priority columns are designated as follows:

High priorities – these are objectives and strategies that the City of Kenai will focus on first. These objectives and strategies are the top priorities identified during the public participation process and those that the City can start working on right away.

Medium priorities – these are ongoing objectives and strategies that the City can start working on within the next year to ten years but they may involve other agency collaboration or are outside financial resources at this time.

Low priorities – these are issues that were identified during the public participation process but are either not the City's responsibility or will not be worked on in the next ten years.

Definitions

The key elements of the Kenai Comprehensive Plan are its goals, objectives and strategies.

Goals are broad statements that describe long-term desired outcomes.

Objectives provide more specific information of what can be done to achieve a goal.

Strategies describe specific steps that will be taken to reach an objective.

The lead department or agency columns are filled out with the lead city department or other local, state or federal agency responsible for the task. The funding source columns list possible funding sources for the objectives and strategies.

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.

Quality of life issues relate to the general wellbeing of individuals and societies. Some indicators of a community's quality of life include not only wealth and employment, but also the quality of buildings, cultural activities, physical and mental health, education, recreation and leisure time, and social belonging.

Issues:

- Affordable health care.
- Lifelong learning.
- Arts and culture.
- Construction of a multi-use facility for all age groups.
- Housing – Affordable with a variety of housing options.
- Senior services.
- Programs that promote health & wellness.



Moose with Twin Calves 2011

Table 17: Goal 1 – Quality of Life: Promote and encourage quality of life in Kenai.

Objectives	Strategies	Priority	Department	Funding
1. Provide a variety of formal and informal educational programs.	a. Continue to adequately fund the library.	High	Administration	City
	b. Support, as appropriate, other opportunities for educational programs.	High	Administration	City
	c. Provide continued support for educational programs provided by the Police and Fire Departments. ²¹	High	Administration	City
	d. Continue to promote and support the Kenai Peninsula College and other institutions of higher education whenever possible.	Medium	Administration	City
	e. Attract post-secondary education providers to establish programs in Kenai (e.g., vocational, information technology, and other technical programs).	Medium	Administration	City
2. Ensure that Kenai is a community where people and property are safe.	a. Continue to fund police and fire at levels adequate to provide for public safety.	High	Public Safety	City
	b. Continue to educate the public of the importance of minimizing bear attractants to achieve a “bear safe” community.	High	Administration Public Safety	City

²¹ DARE, Domestic Violence Education, Bicycle Rodeos, Career Day, Internet Safety, Fire Prevention, CPR, and Community Emergency Response Training.

Objectives	Strategies	Priority	Department	Funding
	c. Identify areas of the community that require lighting and sidewalks for pedestrian safety.	Medium	Public Safety Public Works	City
	d. Identify high-density areas where speed limits may need reduced especially in areas around schools, parks, etc.	Medium	Public Safety Public Works	City
3. Retain First People's heritage in Kenai.	a. Work with the local Alaska Native organizations to develop signs and maps to add indigenous place names in Kenai.	Medium	Administration Planning Parks & Recreation	Native Organizations City
	b. Collaborate with the local Alaska Native organizations to identify culturally sensitive issues and areas within the City.	Medium	Administration Planning	City Native Organizations
4. Encourage healthy lifestyles by providing outdoor activities.	a. Develop additional pedestrian and bicycle pathways.	Medium	Planning Parks & Recreation Public Works	City, State, Federal Highway Admin.
	b. Create a pedestrian and bicycle friendly community by keeping walkways and bikeways clear of obstructions and maintained year round.	Medium	Public Works Parks & Recreation	City
5. Promote beautification programs in Kenai.	a. Review landscaping requirements for commercial developments and determine if they should be revised.	Medium	Planning Parks & Recreation	City
	b. Consider establishing landscaping requirements in all zoning districts.	Medium	Planning, Parks & Recreation	City

Objectives	Strategies	Priority	Department	Funding
	c. Consider increasing landscaping in city maintained rights of way.	Medium	Parks & Recreation Planning	City
	d. Consider establishing a city-sponsored grant beautification program.	Medium	Parks & Recreation Planning	City
6. Actively provide senior services.	a. Support development of additional senior housing.	Medium	Administration Senior Services	City
	b. Promote services available at the Senior Center.	Medium	Senior Services	City
	c. Support senior and health agencies and the private sector in their efforts to provide an assisted living facility for the community.	High	Senior Services	City
7. Consider nominating the Townsite Historic District (TSH) to the National Register Historic District	a. Review the 1995 TSH survey and recommendations from the survey.	Medium	Planning	City
	b. Update the TSH to add new information regarding structures in the survey.	Medium	Planning	City
	c. Research criteria to determine if the TSH could be included in the National Register Historic District.	Medium	Planning	City
8. Develop strategies to ensure there is adequate affordable housing in Kenai	a. Determine if there is adequate property zoned multi-family.	Medium	Planning	City
	b. Consider revising the subdivision code to include zero lot line subdivisions.	Medium	Planning	City

Objectives	Strategies	Priority	Department	Funding
	c. Investigate alternative development options for multi-family that provide for ownership of property, i.e., common-interest ownership, planned unit developments, etc.	Medium	Planning	City
9. Provide a wide variety of opportunities for the public to participate in public policy decision-making.	a. Utilize more Town Hall meetings and interactive work sessions.	High	Administration Planning	City
	b. Upgrade City website and its tools for disseminating information and obtaining input from the public.	High	Planning Information Technology	City

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

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.

Public infrastructure, sensible regulations, public-private partnerships, efficient and coordinated service delivery, industry advocacy, marketing, economic analysis, and the dissemination of timely information all represent legitimate venues for government to promote economic development.

Issues:

- Adequate regional public infrastructure to support development.
- Vacant commercial buildings in the community.
- Buildings that are in disrepair.
- Attract business and industry to relocate to Kenai through the promotion of recreation and leisure opportunities, quality schools, cultural entities, low crime rates, a skilled workforce and clean air/water.
- Capitalize on the benefit of the Kenai Municipal Airport to attract business, industry, tourism and conventions.
- Promote development of the harbor and waterfront.



Kenai Fine Arts Center

Table 18: Goal 2 - Economic Development: Provide economic development to support the fiscal health of the community.

Objectives	Strategies	Priority	Department	Funding
10. Promote opportunities for job security.	a. Develop city internships, apprenticeships, on the job training, and student hire programs.	Medium	Administration Human Resources	City
	b. Use regional economic and workforce statistics to match the most suitable type of industry for particular areas and then market these areas.	Medium	Administration	City
	c. Compete for the siting of large industrial or manufacturing companies by promoting advantages such as transportation, access of developed industrial locations.	High	Administration	City
	d. Promote tourist businesses and activities.	Medium	Administration	City
	e. Develop alternatives for constructing a convention center to promote Kenai as a large meeting destination.	Medium	Administration	City
11. Implement business-friendly regulations, taxation and incentives.	a. Consider property tax relief as a development incentive.	Medium	Administration Finance	City
	b. Research cost and benefits of reverse taxation or tax deferral for improvements to support business incentives.	Medium	Administration	City
	c. Amend code on long-term leases of property in airport reserve to attract more investment and development.	High	Administration Planning	City

Objectives	Strategies	Priority	Department	Funding
12. Recruit specific businesses that are necessary to maintain the local economy.	a. Encourage the oil and gas industry to locate in Kenai to capitalize on economic value of natural resources.	Medium	Administration (Kenai Chamber of Commerce and Visitors Center (KCCVC)) ²²	City KCCVC
	b. Market Kenai as a health center destination.	Medium	Administration KCCVC	City KCCVC
	c. Pursue retail business opportunities.	Medium	Administration KCCVC	City KCCVC
	d. Establish a city theme and/or brand to help market Kenai as a business and industrial center.	Medium	Administration KCCVC	City KCCVC
	e. Capitalize on the tourism industry by marketing Kenai as a destination for recreational activities, conventions, festivals, arts, cultural, and other events.	High	Administration KCCVC	City KCCVC
	f. Review development options allowed in the Old Town area and determine if they need to be revised.	Medium	Administration Planning	City
	g. Consider incentives for redevelopment of Old Town.	Medium	Planning Finance	City

²² In 2012, the Kenai Chamber of Commerce merged with the Kenai Visitor's Bureau, and the new organization is called the Kenai Chamber of Commerce and Visitors Center.

Objectives	Strategies	Priority	Department	Funding
	h. Advertise that Kenai is an adaptable, consumer-friendly, technology-advanced, innovative, and performance-driven, environment to attract technology-based and knowledge-based industries.	Medium	Administration KCCVC	City KCCVC
	i. Work with State to manage and promote commercial and sport fisheries.	Medium	Administration	City State
	j. Market Kenai as a center for educational-based institutions.	Medium	Administration	City
	k. Review the Kenai Economic Development Strategy (KEDS) 2004 Millennium Square Development Plan to determine if the plan should be considered and/or updated as a general guide for Millennium Square.	Medium	Administration	City

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

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; providing commercial, industrial, and residential areas suited to current and probable future growth.

Use of land includes traditional and current activities of city residents as well as resource development on public and private lands. It also addresses how lands within Kenai should be used to meet the needs of residents and allow for community growth. The City has land management regulations (Title 14 Planning and Zoning) that determine how lands are zoned for different uses and how uses should be managed. One of the purposes of the Comprehensive Plan is to guide how land management regulations are used and revised.

Issues

- Make Kenai a “place to pause” for residents and visitors by creating more attractive public areas.
- Research methods to protect property values and citizens from adverse effects of noise.
- Ensure an adequate supply of land is available for future uses.



Preparing for Fishing at the Kenai Boat Launching Facility

Table 19: Goal 3 - Land Use: Develop land use strategies to implement a forward-looking approach to community growth and development.

<i>Objectives</i>	<i>Strategies</i>	<i>Priority</i>	<i>Department</i>	<i>Funding</i>
13. Review zoning and subdivision codes for present and future land uses.	a. Reexamine zoning definitions.	High	Planning	City
	b. Audit city zones and amend zoning as needed to meet land use objectives.	Medium	Planning	City
	c. Review the Land Use Table for residential zoning districts other than Rural Residential 1 in order to protect those other neighborhoods against incompatible land uses and support residential development.	High	Planning	City
	d. Review the Land Use Table zoning districts other than residential to ensure land uses are compatible with the intent of the other zoning districts.	Medium	Planning	City
	e. Consider zoning amendments for properties adjacent to highway corridors.	High	Planning	City
	f. Review landscaping ordinance to ensure buffers are required to protect neighborhoods.	Medium	Planning	City
	g. Review recreation zone to determine types of uses that should be permitted, i.e., racetrack, ATV, snow machine trails and other similar activities.	Medium	Planning Public Safety	City
	h. Identify areas that could be zoned recreation.	Medium	Planning	City
	i. Encourage creative subdivision design for residential areas.	Medium	Planning	City

Objectives	Strategies	Priority	Department	Funding
	j. Amend subdivision code to consolidate access via frontage roads or by shared driveways onto main streets/highways.	Medium	Planning	City
	k. Amend subdivision code to add a requirement to reserve open space and parklands in new subdivisions.	Medium	Planning	City
	l. Amend landscaping code to require retention of natural vegetation during development.	Medium	Planning	City
	m. Promote neighborhood beautification programs.	Medium	Parks & Recreation	City
	n. Review Conditional Use Permit and Zoning Amendment Standards, and consider more comprehensive standards in code.	Medium	Planning	City
	o. Review and develop standards in code for oil and gas developments to mitigate impacts on other property owners.	Medium	Planning	City
14. Review future land use map annually to monitor changes in land use.	a. Monitor Beaver Loop Road improvements to determine if land use along Beaver Loop should be reclassified on the future land use map.	Medium	Planning	City
15. Review siting for oil and gas developments.	a. Develop standards or guidelines for oil and gas developments.	Medium	Planning	City
16. Review revitalization strategies for the area adjacent to the Bridge Access Road beginning at Millennium Square to the boat landing.	a. Promote this area for mixed use because of its location and scenic views.	Medium	Planning	City
	b. Explore techniques to redevelop or revitalize this area for commercial uses.	Medium	Planning	City
	c. Develop strategies to market area as a prime waterfront location for convention center, hotel or restaurant area.	Medium	Planning	City

Objectives	Strategies	Priority	Department	Funding
17. Provide a wide variety of opportunities for the public to participate in local land use decisions.	a. Continue to use social media as well as other methods to reach a broad range of citizens.	High	Administration Information Technology	City
	b. Upgrade the city website.	High	Information Technology	City
	c. Enhance services through technology.	Medium	Administration Information Technology	City
	d. Provide a wide variety of opportunities for the public to participate in local land use decisions.	High	Administration	City
	e. Utilize more Town Hall Meetings and interactive work sessions.	High	Administration Planning	City
	f. Review and amend standards in code to improve and expand notice to property owners-lessees.	Medium	Administration Planning	City

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.

Kenai is a home rule city within the Kenai Peninsula Borough. Public infrastructure includes the city facilities such as water and sewer systems, roads, airport, port, library, parks and recreation facilities, and senior center. Public services include public safety, senior services, planning and zoning and administrative services.

Issues:

- Investigate possible areas for ATV (motocross/snow machines) trail systems.
- Pursue public transportation options.
- Investigate public free Wi-Fi.
- Determine feasibility and need for more senior housing.
- Investigate & support city-wide recycling programs.
- Research viability of wind, tide, biomass and/or geothermal energy sources.



Kenai Municipal Airport Operations Facility

Table 20: Goal 4 - Public Improvements and Services: Provide adequate public improvements and services in Kenai.

Objectives	Strategies	Priority	Department	Funding
18. Evaluate feasibility/need for public improvements.	a. Continue to secure the funding for the Kenai River bluff erosion project.	High	Administration	City State Federal
	b. Erect signage and street markings at bicycle path and road crossings to alert drivers that there are pedestrians and bicyclists on the bicycle paths.	High	Public Works	City State
	c. Encourage the Alaska Department of Transportation and Public Facilities to place signs and street markings alerting drivers of bicyclists on the Bridge Access Road and other high traffic areas.	High	Public Works	City State
	d. Investigate options to provide separation on the roadway between the street and pedestrians.	High	Public Works Planning	City
	e. Inventory existing roads and utilities and identify and prioritize upgrades.	Medium	Public Works	City
	f. Research feasibility of extending water/sewer to Beaver Loop Road and Valhalla Subdivision.	Medium	Public Works	City
	g. Maintain and improve when necessary street lights, city roads and buildings.	Medium	Public Works	City
	h. Develop a long-term plan identifying and listing road upgrades.	Medium	Public Works	City
	i. Review snow removal policy for city streets to determine if alternate methods should be considered.	High	Public Works	City

Objectives	Strategies	Priority	Department	Funding
19. Maintain existing water/sewer utilities.	a. Continue efforts to improve the water in Kenai.	High	Public Works Administration	City
20. Consider additional city activities and services.	a. Promote the Library as a community center.	High	Administration Library	City
	b. Promote recycling at city facilities and in the community.	Medium	Public Works	City
	c. Develop and implement a coordinated plan for IT services.	Medium	Administration Information Technology	City
	d. Focus on short and long-term data storage and operations.	Medium	Administration Information Technology	City
	e. Expand Library programming for all age groups.	Medium	Library	City
	f. Provide video conferencing at the Library for community use.	Medium	Library	City

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.

Kenai is accessible by the Sterling Highway to Anchorage, Fairbanks, Canada and the lower 48 states. The city-owned Kenai Municipal Airport provides a 7,830-foot asphalt runway, a 2,000-foot gravel runway, and a 4,600-foot water runway. A fully staffed FAA Flight Service Station is located on the airport. The Kenai City Dock and boat ramp are located near the mouth of the Kenai River. There are also a number of private commercial fish processing docks. Moorage is by buoys anchored in the Kenai River.

Issues:

- Support development of:
 - Alternative transportation opportunities such as a ferry, train, ride share, and bus systems.
 - Pedestrian pathways – sidewalks, bike paths, and trails.
 - Completion of the 4-lane highway between Kenai and Soldotna.
 - Completion of the Unity Bike Path.
 - Pedestrian/green space with new road construction.



Road Work in Kenai

Table 21: Goal 5 – Transportation: Provide transportation systems that are efficient and adequate to serve the regional needs of the community.

<i>Objectives</i>	<i>Strategies</i>	<i>Priority</i>	<i>Department</i>	<i>Funding</i>
21. Fulfill the Kenai Municipal Airport's primary mission, "To be the commercial air transportation gateway to the Kenai Peninsula Borough and Cook Inlet."	a. Rezone airport lands within the Airport Reserve to zoning consistent with the Airport Master Plan and Airport Layout Plan.	High	Planning Airport	City
	b. Rezone airport lands outside the Airport Reserve to meet the mandate of the 1963 airport deed.	High	Planning Airport	City
	c. Promote development of airport lands.	High	Administration Airport	City
	d. Actively market leases at the Airport Industrial Park.	High	Administration Airport	City
	e. Research the cost and benefit of establishing a tax free zone at the airport.	Medium	Administration Airport Finance	City
	f. Determine highest and best use of airport land that is not needed for airport uses.	Medium	Airport Planning	City
	g. Encourage and support public participation in decisions affecting the airport through community outreach, Commission and Council meetings and work sessions, and other meetings with affected residents, business and property owners.	High	Administration Airport Planning	City
	h. Review buffer areas along Float Plane Road to mitigate noise impacts on neighborhoods.	High	Administration Airport Planning	City
22. Monitor progress of Statewide Transportation Improvement Plan (STIP).	a. Collaborate with the State to widen the Kenai Spur Highway to four lanes and to provide turn lanes.	High	Administration	City State

<i>Objectives</i>	<i>Strategies</i>	<i>Priority</i>	<i>Department</i>	<i>Funding</i>
	b. Pursue local road projects through annual budget requests from the STIP.	Medium	Administration	City
23. Establish maintenance and upgrade program for the city's transportation system.	a. Inventory city rights-of-way, sidewalks, and trails.	Medium	Public Works	City
	b. Prioritize maintenance/upgrades for streets, sidewalks, and trails based on criteria established in city's maintenance program.	Medium	Public Works	City

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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.

The City provides a wide array of services, including seasonal recreation programs, a teen center, city parks, and beautification of city streets and parks. Facilities include the Recreation Center, ten parks totaling over 180 acres, and two major trail networks. The Parks and Recreation Department manages park and open spaces, including turf and sport field maintenance, playground maintenance, trash removal, facility and trail maintenance, management of volunteers, and stewardship of undeveloped open space.

Issues:

- Construct a multipurpose facility for all age groups.
- Encourage inclusion of year-round walkable and bicycle-safe trails in road construction projects.
- Promote optimization of green space for recreation.
- Designate areas for future parks/trails.
- Develop guidelines to separate pedestrian pathways from traffic.
- Protection of the Kenai River, wetlands, and environmentally sensitive areas.
- Lack of public camping facilities.



Leif Hansen Memorial Park

Table 22: Goal 6 - Parks and Recreation: Ensure that Kenai has excellent parks and recreational facilities and opportunities.

Objectives	Strategies	Priority	Department	Funding
24. Create greenbelts around the community.	a. Provide greenbelts along right-of-way corridors.	Medium	Public Works	City
	b. Determine if there are areas that would be appropriate to rezone for green/open space buffer zones, more green spaces, and more recreation zones.	Medium	Planning Parks & Recreation	City
25. Maintain existing recreational opportunities and plan for new parks and recreation improvements.	a. Develop a master plan for Parks and Recreation.	High	Parks & Recreation	City
	b. Implement the Parks and Recreation Trails Plan.	High	Recreation	City
	c. Pursue funding to complete the Unity Trail bicycle pathway along Bridge Access Road.	High	Planning Parks & Recreation	City State
	d. Continue to support city-sponsored youth activities such as little league, disc golf and youth soccer.	Medium	Administration Parks & Recreation	City
	e. Support projects that provide additional quality outdoor and indoor recreation.	Medium	Administration	City
	f. Consider educational programs to install informative displays to explain the importance of preserving and protecting wetlands and other natural features.	Medium	Parks & Recreation Public Works	City State
	g. Investigate the need for property to be set aside for future facilities.	Medium	Planning Parks & Recreation	City
	h. Include trails and bicycle paths in funding requests in future transportations plans.	Medium	Planning Parks & Recreation	City
	i. Obtain funding to develop a pedestrian/bicycle trails plan.	Medium	Administration	City State
	j. Investigate and consider development of a public campground.	Medium	Administration Parks & Recreation	City State

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.

Kenai's natural hazards identified in the Hazard Mitigation Plan include erosion, wildland fires, floods, volcanoes, earthquakes, and a low risk of a tsunami.

Issues:

- Bluff Erosion.
- Conservation easements along the Kenai River.
- Continued public educational programs.
- Development in designated hazard areas.



Bluff Erosion along Kenai River

Table 23: Goal 7 - Natural Hazards and Disasters: Prepare and protect the citizens of Kenai from natural hazards and disasters.

Objectives	Strategies	Priority	Department	Funding
26. Implement the Hazard Mitigation Plan strategies.	a. Develop and demonstrate defensible space and landscaping techniques to encourage community and home construction contractor participation.	High	Public Safety	City
	b. Reduce fuels in hazard areas and emergency egress routes in cooperation with the State Division of Forestry and landowners.	High	Public Safety	City KPB State
	c. Raise public awareness of the possible magnitude of flood damage and debris based on historical events using onsite visits and meetings during the permit process.	Medium	Public Works Planning	City KPB State
	d. Educate the public of the importance of securing of docks, vehicles, trash and utilities (LPG tanks, fuel tanks, etc.) to reduce loss and reduce influx of debris into waterways during floods.	Medium	Public Works Planning	City KPB State
	e. Alert the public to the harmful effects of volcanic ash fallout to life and property.	Medium	Public Safety	City KPB

Objectives	Strategies	Priority	Department	Funding
	f. Continue cooperative advisements to the public via Borough Office of Emergency Management (OEM), local media, and City of Kenai websites during periods of increased volcanic and seismic activity.	Medium	Public Safety	City KPB
	g. Provide information regarding measures to prevent illness and damage to air intake of homes, vehicles and businesses.	Medium	Public Safety	City
	h. Prepare citizens and the built environment to better survive the hazards associated with earthquakes through the promotion of public education.	Medium	Public Safety	City KPB
	i. Promote the practice of sheltering in place, and encourage the preparation of citizens for self-sufficiency in a post-earthquake scenario.	Medium	Public Safety	City KPB
	j. Continue cooperative advisements to public via Borough OEM, local media, and local emergency responders to collectively evacuate the public.	Medium	Public Safety	City KPB

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.

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, 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.

Issues:

- Zoning and development in sensitive areas (Kenai River, flood plains, wetlands, dunes, etc.).
- Identification of sensitive areas along the Kenai River.
- Separation of public trails from environmentally sensitive areas.
- Mitigation strategies for the impact of the dipnet fishery.



One of Kenai's Many Hiking Trails

Table 24: Goal 8 - Environmental Resources: Protect and enhance the natural resources and environment of the community.

Objectives	Strategies	Priority	Department or Agency	Funding
27. Maintain and improve protection of the Kenai River its beaches, tidelands and wetland areas.	a. Increase education efforts to protect wetlands, riverbanks and areas important to salmon rearing through signage describing importance of habitat.	High	Public Works Parks & Recreation	City
	b. Review, and modify as necessary, the City's long-term plan for management of the annual Personal Use Fishery.	High	Administration Parks & Recreation	City
	c. Continue to work with the State of Alaska, personal use fishers, commercial fishers, residents, and others to mitigate damages caused by the dipnet fishery.	High	Administration	City/State
	d. Encourage protection of critical wetlands by obtaining conservation easements.	Medium	Administration Planning	City
	e. Continue efforts to protect the dunes.	Medium	Administration Planning	City
	f. Increase signage along the bluffs at the mouth of the Kenai River to educate people of the damage caused by climbing the bluffs.	Medium	Administration Planning	City
	g. Divert public trails away from sensitive salmon spawning streams.	Medium	Public Works Parks & Recreation	City

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City of Kenai Comprehensive Plan

Imagine Kenai 2030

Appendix A: Public Outreach and Participation

1.0 Introduction

This plan describes efforts for public participation and outreach for the City of Kenai Comprehensive Plan revision. The plan is intended to be a living document that will be updated periodically to take advantage of unexpected opportunities. As well as a planning document, it will also document public outreach efforts that have already been accomplished.

2.0 Boards and Commissions

Involvement of city boards and commissions in the plan revision process provides an important link to the public. Boards and commissions involve community residents in city affairs on an ongoing basis.

Department heads, board and commission members and the consultants met on the evening of April 21, 2011. Using a group process, the meeting participants prioritized actions the boards and commissions can take to fulfill the City's mission. The consultants prepared a meeting summary that identified all of the ideas generated during this meeting. Follow up meetings were held with some of the boards and commissions.

3.0 Planning Commission Meetings

Preparation of the Comprehensive Plan is one of the most important functions of the Planning and Zoning Commission.

- April 13, 2011 – Briefing on the plan update,
- June 8, 2011 – Work session on draft land use classification,
- June 22, 2011 – Work session on draft land use map,

- July 13, 2011 – Work session on land use map,
- July 27, 2011 – Review of Public Outreach and Participation Plan,
- July 27, 2011 – Work session on land use map,
- October 12, 2011 – Work session on land use map. Overview of background information,
- February 8, 2012 – May 23, 2012 – Twice-monthly work sessions on Background Report,
- June 27, 2012 – Work session on Implementation Plan,
- July 11, 2012 – Work session on Implementation Plan,
- July 25, 2012 – Work session on Future Land Use Map,
- August 22, 2012 – Work session on Future Land Use Map,
- September 12, 2012 – Work session on Public Review Draft,
- September 26, 2012 – Work session on Public Review Draft,
- October 24, 2012 – Work session on Public Review Draft,
- November 14, 2012 – Work session on Public Review Draft, and
- November 28, 2012 – Work session on Public Review Draft.

The Planning and Zoning Commission held a public hearing on February 14, 2013 recommending adoption of the draft plan to the Kenai City Council.

4.0 Public Meetings and Formal Comment Periods

In addition to other meetings discussed in this document, two community-wide public meetings provided the public an opportunity to provide input on the plan. The April 2011 public meeting provided an introduction to the planning process and the October 2012 meeting focused on review of the Public Review Draft of the plan. Formal comment periods associated with these meetings were held April 2011 and September 19 – October 19, 2012.

The City sponsored an initial community-wide public meeting at the Senior Center on April 23, 2011. After a short presentation about comprehensive planning, a visioning exercise resulted in a list of what the participants want the community to look like in 2021. The ideas were grouped under three topics: land use, infrastructure and quality of life.

During the April 23 public meeting, participants broke into 9 different groups of approximately 6 people in each group. The groups brainstormed ideas and prioritized the top three actions related to two key questions. The first question asked “What policies, initiatives and actions should be pursued over the next decade to improve and ensure a high quality of life for residents of the City of Kenai?” and the second question asked “What revisions to the land use map are needed to ensure there is adequate land available for all uses; including, but not limited to commercial, residential, industrial and open space?” A meeting summary lists the top priorities, and the attachment to the summary lists all of the ideas generated during the meeting.

A second public meeting was held on October 5, 2012 at the Kenai Senior Center. An open house format was used and two formal presentations of the plan were provided.

5.0 Agency Outreach

The consultants and planning staff informed appropriate state and federal agencies throughout the planning process. Meetings were held with the Kenai Peninsula Borough Planning Department on October 12, 2011 and with the Mental Health Lands Trust on November 30, 2011.

6.0 Meetings with Business Leaders and Economic Development Organizations

A meeting with community business leaders, held on June 8, 2011, involved a similar group process that was used for the other meetings. The business leaders developed a prioritized list of actions in response to the key question: “What policies, initiatives and actions should the City of Kenai pursue over the next decade to sustain existing businesses and to create new business opportunities?” The meeting summary is posted on the City of Kenai webpage. Additional meetings with the business community included:

- April 27, 2011 – Meeting with the Kenai Chamber of Commerce and Visitor Center,
- May 23, 2011 – Meeting with the Kenai Economic Development Strategy group,
- October 20, 2011 – Meeting with the Kenai Peninsula Realtors organization,
- November 18, 2011 – Meeting with the Kenai Chapter of The Alliance, and
- April 5, 2012 – Meeting with Unocal Retirees Group.

7.0 Native Community

The Planning Director and consultant met with representatives of local Native organizations to brief them about the Comprehensive Plan revision and to discuss the possibility of a meeting with all members of the tribes and the local corporations:

- July 12, 2011 – Meeting with Penny Carty of the Salamatof Native Association,
- July 12, 2011 – Meeting with Sasha Lindgren, Kenaitze Indian Tribe,
- July 14, 2011 – Meeting with the Board of Salamatof Native Association,
- September 15, 2011 – Meeting with Kenaitze Indian Tribe Board in Homer,
- October 30, 2011 - Meeting with Cook Inlet Region Incorporated (CIRI), and
- February 10, 2012 – Meeting with Diana Zirul and Vernon Stanford of the Kenai Natives Association.

8.0 Meetings with Other Groups

- October 12, 2011 - Meeting with the Mobilizing for Action through Planning and Partnerships (MAPP) organization, a local group interested in health issues.
- November 21, 2011 - Meeting of the Kenai Rotary club.
- May 10, 2012 – Update of Comprehensive Plan progress to Council on Aging.

9.0 Other Public Participation Techniques

In addition to public meetings, a number of other public participation techniques were used throughout the plan revision process.

9.1 Survey

The City launched a web-based survey on March 1, 2012 using a program called SurveyMonkey. In addition to accepting online comments, hard copies of the surveys were distributed at several public facilities, including the City Library, City Hall, Kenai Senior Center, Kenai Municipal Airport, and the Kenai Chamber of Commerce and Visitor Center. The public was notified about the survey using several methods including a notice with the water and sewer bills, a project newsletter, and a notice submitted to the Peninsula Clarion on April 25, 2012. Seventy-nine surveys were received at the conclusion of the survey period on May 14, 2012. In addition, 89 students completed the survey (see section 9.5). The surveys were posted on the city website on June 7, 2012.

9.2 Facebook Page

A Facebook page for the project was completed on November 3, 2011. The page can be located on Facebook at “City of Kenai Comprehensive Plan.”

9.3 City Website

The City’s Website includes a link to current plan revision documents from the home page.

9.4 Newsletters

Two newsletters were distributed to the city’s mailing list, and additional copies were made available at the City Library. The first newsletter was distributed in February 2012 and the second newsletter was distributed in September 2012.

9.5 School Outreach

On April 9, 2012 consultant Eileen Bechtol presented a power point presentation to two classes of Kenai High School seniors in their government classes. All the seniors in the school were given an opportunity to complete an online survey very similar to the one completed by the community. Eighty-nine surveys were completed by the students.

City of Kenai Comprehensive Plan

Imagine Kenai 2030

Appendix B - Economic Indicators

Income: The estimated annual income for households in the City of Kenai in 2009 (\$54,054) was about 18.8% lower than that for Alaska, and the estimated per capita income (\$27,597) was about 6.1% lower than that for Alaska.

The median household income was estimated to be \$51,875 with 3,004 households. Of these households:

- 21.1% earned less than \$25,000,
- 27.5% earned between \$25,000 and \$49,999,
- 29.2% earned between \$50,000 and \$99,999, and
- 22.0% earned above \$100,000.

Per capita income in 2009 was estimated to be \$27,597, an increase over 2000 (\$20,789). Families whose income fell below the poverty line in that past 12 months of the survey equaled 5.4%, and 8.1% of all people earned income below the poverty level.

Sales: For the five-year period between 2005 and 2009, the City of Kenai's average annual total gross sales was \$488.3 million with a high of \$607.7 million in 2007 (Kenai Peninsula Borough 2010). Sales in 2009 - \$74.8 million - represent a 35.7% decrease from 2008.

Gross sales in 2009 by line of business in order of volume were: Sales (40.1%), construction (13.7%), wholesale (10.5%), services (6.2%), manufacturing (5.5%), utility (4.9%), resource production (4.7%), property (4.5%), transportation and warehousing (3.9%), professional (3.1%), tourism (1.9%), and government (1.0%).

In 1990, the City of Kenai had 20.6% of the Kenai Peninsula Borough's gross sales, in 2000 19.2% and an average of 17.5% for the years 2004-2009. However, the City's share of borough sales dropped to 14.5% in 2009.

Retail trade: The retail industry in the City of Kenai is relatively mature. Retail sales in 2000 totaled \$136.3 million, about 48% of total sales. In 2008, retail sales totaled \$139.7 million, and about 23% of total sales. Annual retail sales growth has fluctuated between 2000 and 2008 with an average annual increase of only 1.0%. Per capita gross retail sales in the City of Kenai (\$20,406) in 2007 were nearly 63% higher than the borough-wide per capita sales (\$12,527), and about 50% higher than for Alaska (\$13,635).

Retail Space: In 2000, the City of Kenai had 582,318 square feet of retail space which represented 27.1% of the retail space in the borough and 12% of the number of retail buildings. In 2008, the retail space increased by 41% to 822,853 square feet, representing 27% of the Borough's retail space and 19% of the number of retail buildings.

Permits: While the Kenai Peninsula Borough does not issue building permits, the communities of Kenai, Homer, Seldovia, Seward, Soldotna do. 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 \$19.0 million with a high of \$46.5 million in 2008. In 2009, the value of construction permits was \$7.7 million, a 67% decrease from the previous year and the lowest value for the five-year period. Table 8 provides additional permit information for selected years.

Permit Information for Selected Years			
	2000	2005	2009
Total Value of City of Kenai Construction	\$17.3 million	\$8.2 million	\$7.7 million
Percent Value of all Permits issued in Borough	33%	18.3%	15%
Total Number of Permits	93	90	83
Percent of all Permits Issued in Borough	32.0%	26.6%	29.0%

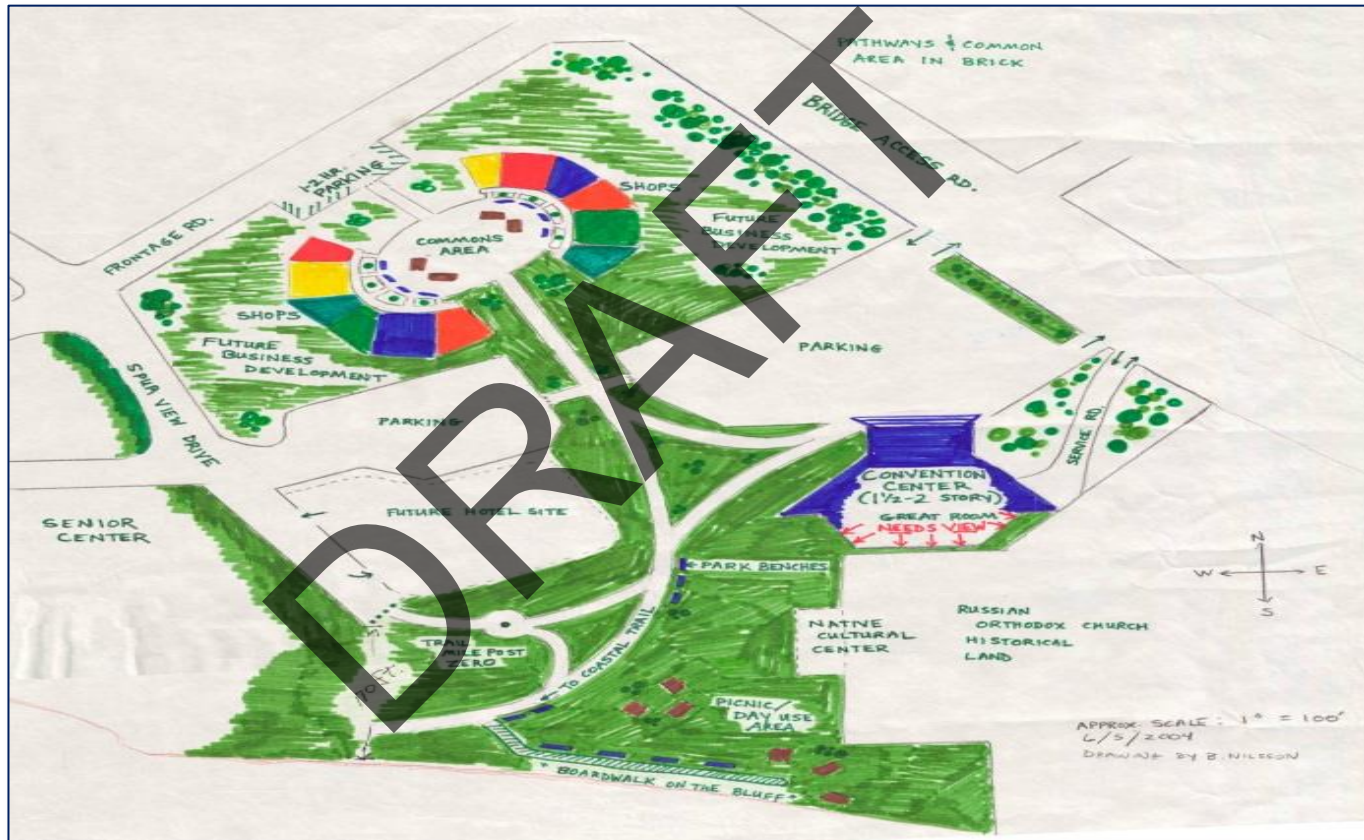
Source: Kenai Peninsula Borough 2000, 2005, 2010

Business Licenses: As of July 2011, there were 1,137 licensed businesses with an address in the City of Kenai (DCCED 2011).

City of Kenai Comprehensive Plan

Imagine Kenai 2030

Appendix C: Millennium Square Conceptual Drawing*



*This drawing is only an example of how the area could be developed using a mixed-use concept (i.e., shops, hotel, convention center, parks, cultural site, etc.).

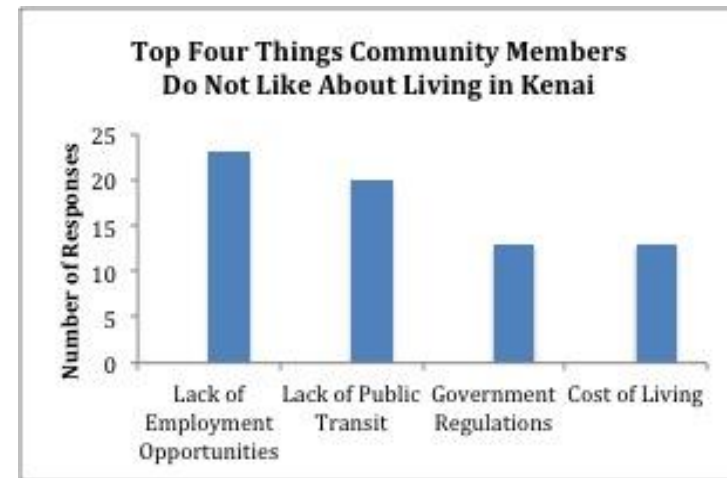
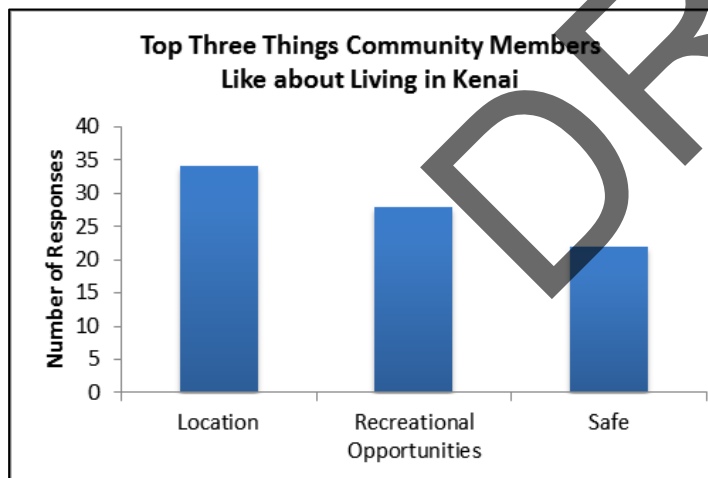
City of Kenai Comprehensive Plan

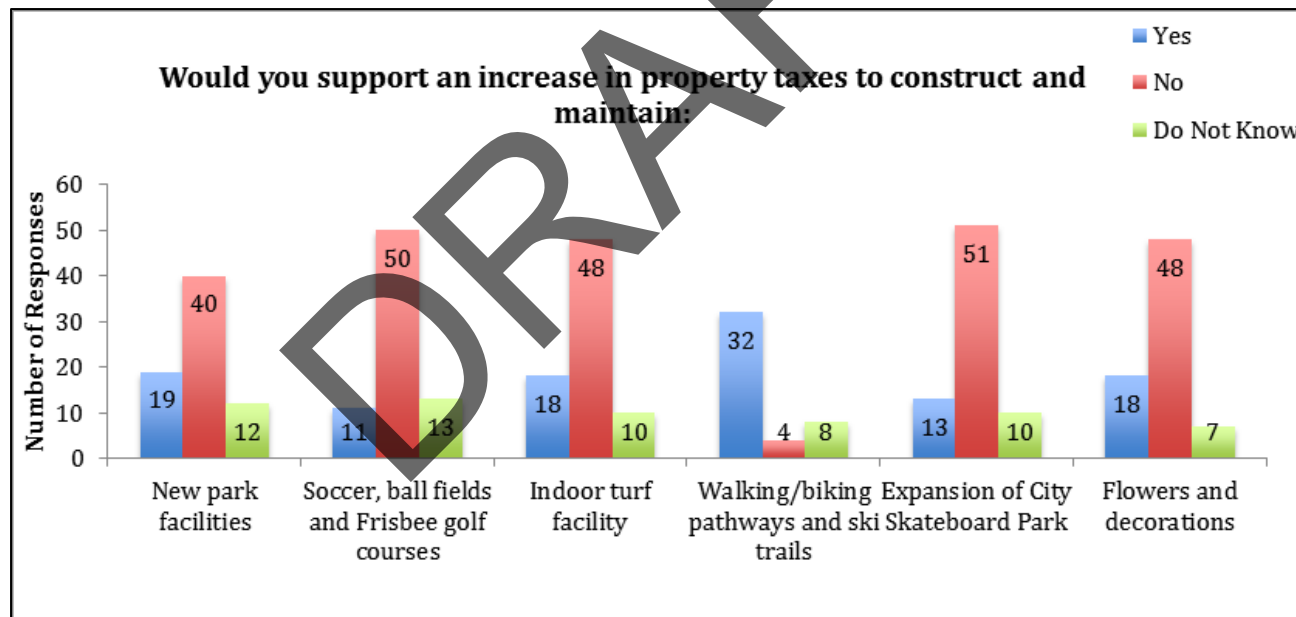
Imagine Kenai 2030

Appendix D: Summary of Community Surveys

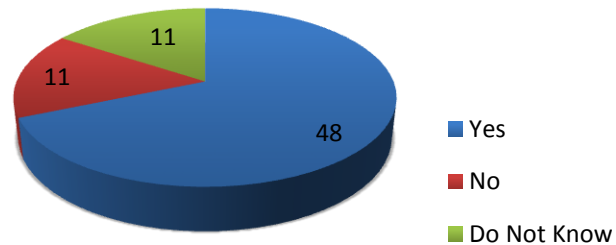
The Comprehensive Planning Team used 2 surveys to solicit input from the community on city services. The first online survey targeted adult residents in the community, and the second survey involved high school seniors. In addition to accepting online comments, hard copies of the surveys were distributed at the City Library and City Offices. The public was notified about the survey using several methods including a notice with the water and sewer bills, a project newsletter, and a notice submitted to the Peninsula Clarion on April 25, 2012. Seventy-nine surveys were received at the conclusion of the survey period on May 14, 2012. In addition, 89 students completed the survey. This appendix includes results from both surveys using graphs. A more complete analysis of the surveys was posted on the City website.

1.0 Results of the Online Public Survey

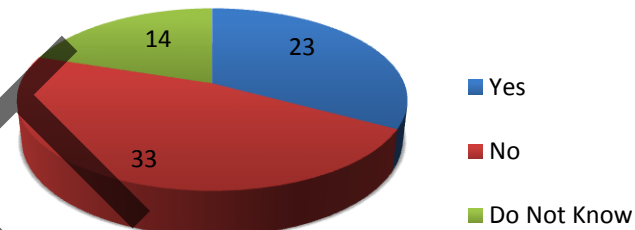




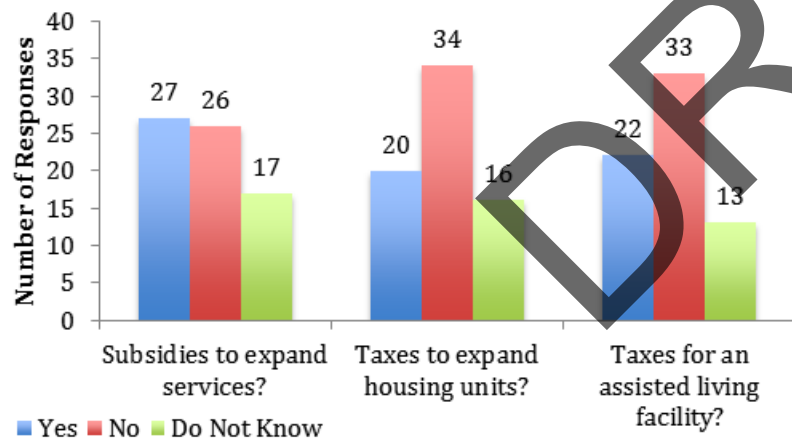
Would you support a donation of city property to a *non-profit* enterprise to construct and operate an assisted living facility?



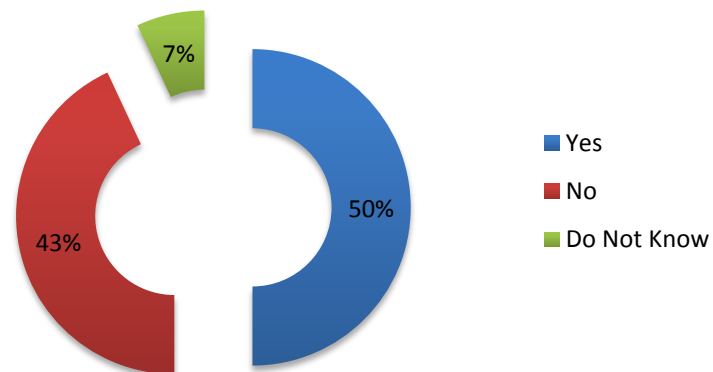
Would you support a donation of City property to a *for-profit* enterprise to construct and operate an assisted living facility?

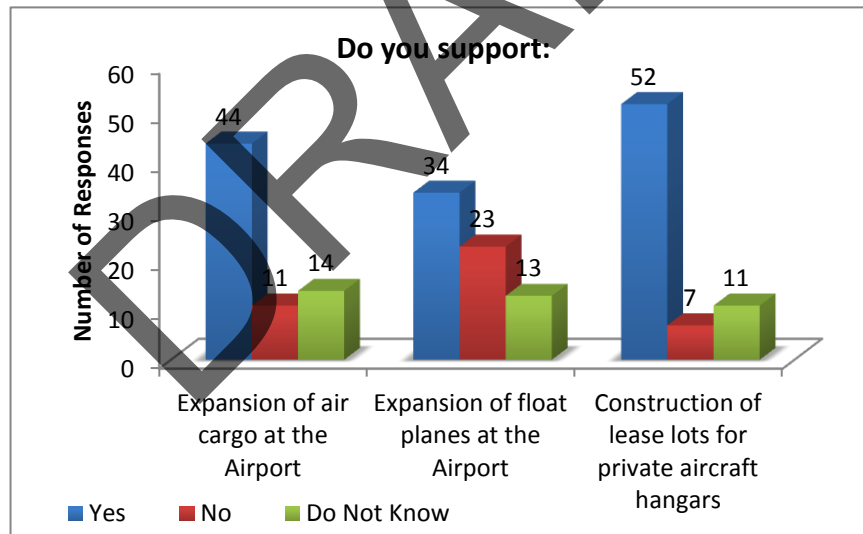
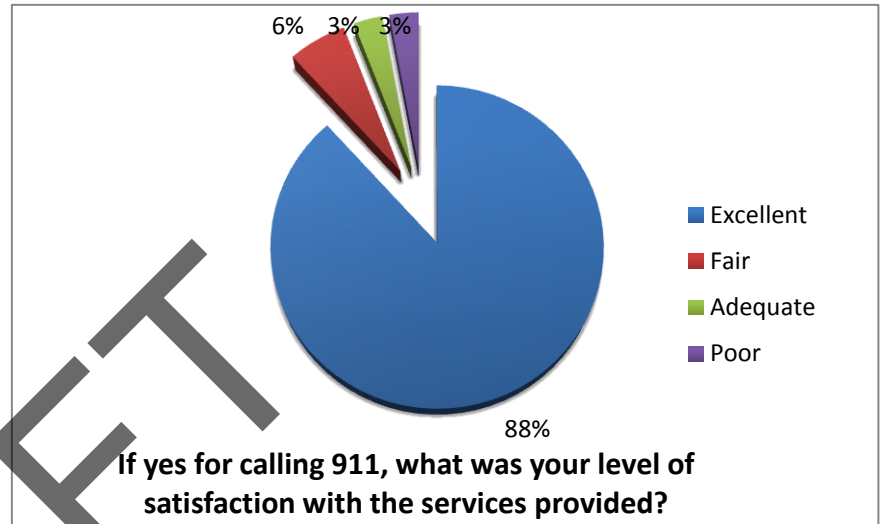
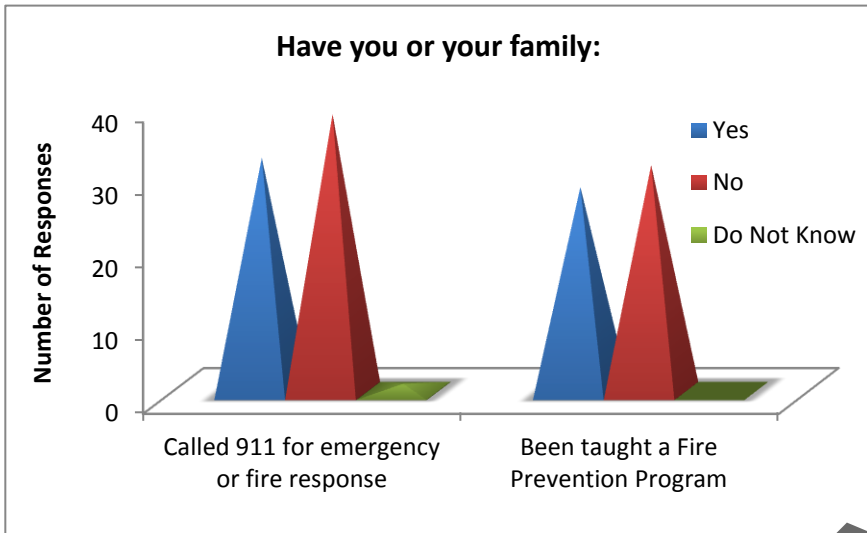


Regarding Senior Services - do you support:



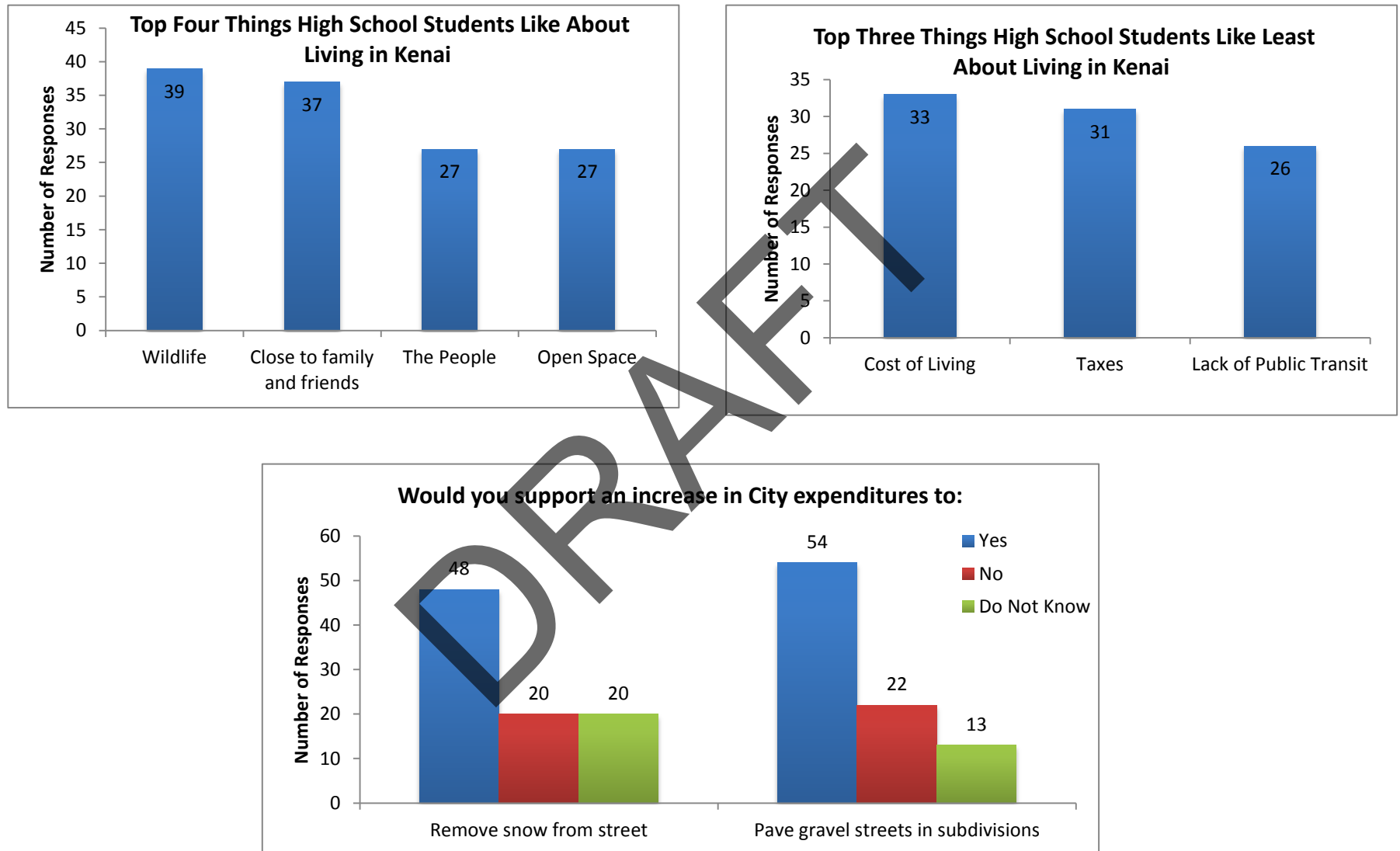
Do you support a \$20 annual fee for library users that live outside the Kenai city limits?

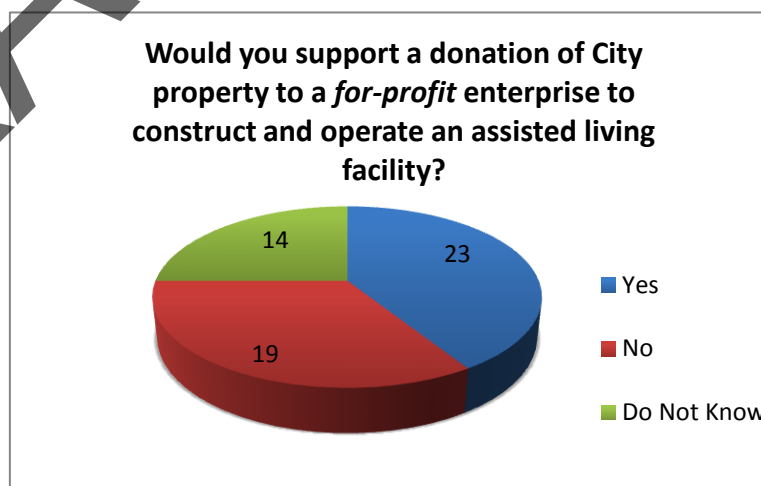
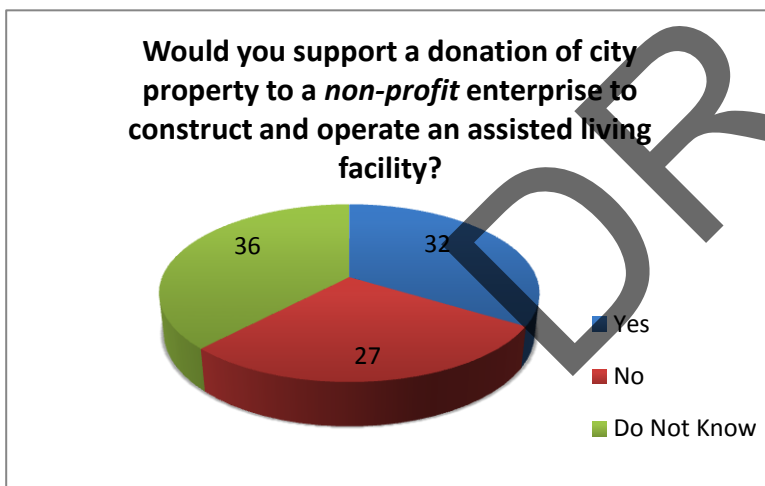
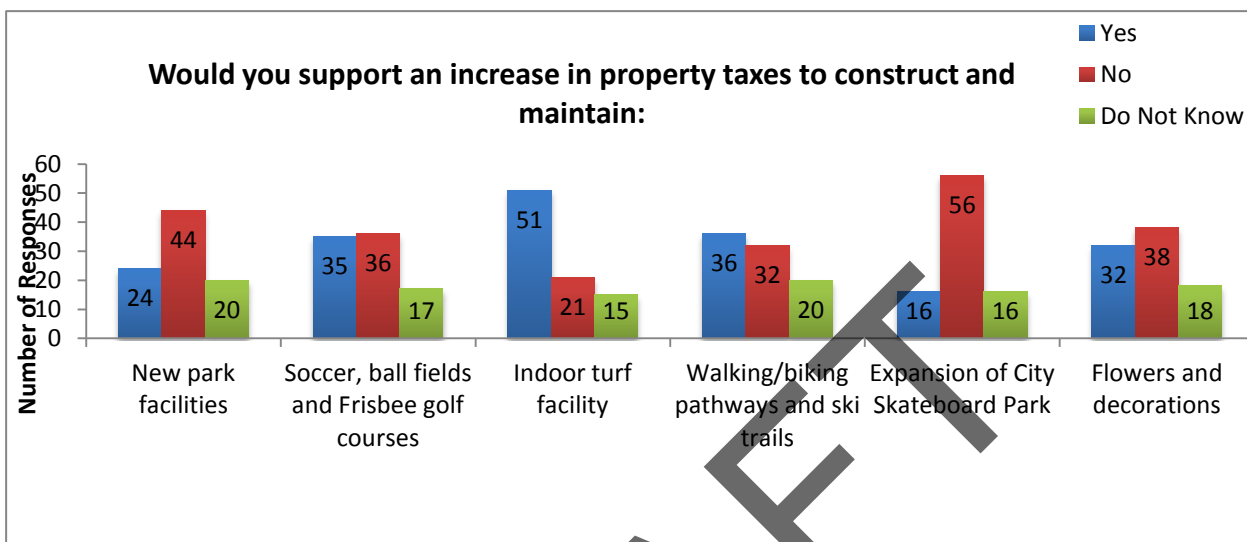




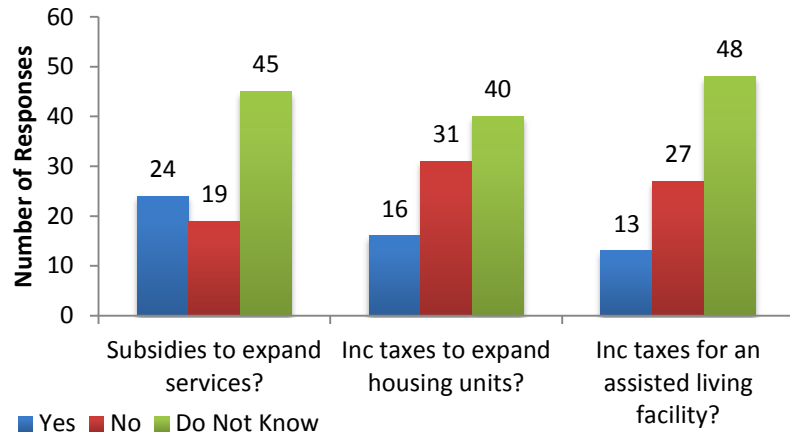
Summary of Online Survey Responses about Support for Business Sectors and Facilities						
	Strongly Support	Support	Neither Support or Oppose	Oppose	Strongly Oppose	Do Not Know
Green Technology, such as wind/tidal power manufactures, bio-fuel, etc.	34.8% (23)	27.3% (18)	28.8% (19)	6.1% (4)	1.5% (1)	1.5% (1)
Large Retail such as Costco, Kroger's, Target, etc.	16.4% (11)	35.8% (24)	20.9% (14)	13.4% (9)	11.9% (8)	1.5% (1)
Small Retail	36.8% (25)	51.5% (35)	8.8% (6)	1.5% (1)	0.0% (0)	1.5% (1)
High Tech., such as software development, server farms, etc.	24.2% (16)	51.5% (34)	18.2% (12)	3.0% (2)	0.0% (0)	3.0% (2)
Oil & Gas Exploration & Development Companies	42.4% (28)	27.3% (18)	21.2 (14)	6.1% (4)	1.5% (1)	1.5% (1)
Oil & Gas Service Companies	41.5% (27)	26.2% (17)	24.6% (16)	4.6% (3)	1.5% (1)	1.5% (1)
Government, Federal, State & Local	18.2% (12)	34.8% (23)	30.3% (20)	9.1% (8)	6.1% (4)	1.5% (1)
Manufacturing, such as pre-fabricated homes, metals, concrete, etc.	22.7% (15)	43.9% (29)	19.7% (13)	7.6% (5)	3.0% (2)	3.0 (2)
Tourism oriented businesses	27.5% (19)	37.7% (26)	17.4% (12)	11.6% (8)	4.3% (3)	1.4% (1)
Service Support Companies for West Cook Inlet Developments (e.g., mining)	23.9% (16)	22.4% (15)	17.9% (12)	17.9 (12)	16.4% (11)	1.5% (1)
Should the City of Kenai construct and operate a convention center?	12.9% (9)	15.7% (11)	14.3% (10)	20.0% (14)	28.6% (20)	10.0% (7)
Would you support an increase in property tax and/or sales tax to construct and operate a convention center?	12.9% (9)	12.9% (9)	4.3% (3)	22.9% (16)	37.1% (26)	10.0% (7)
Would you support local property tax credits for restoration of historic properties?	19.7% (14)	33.8% (24)	21.1% (15)	12.7% (9)	9.9% (7)	2.8% (2)

2.0 Results of the Student Survey

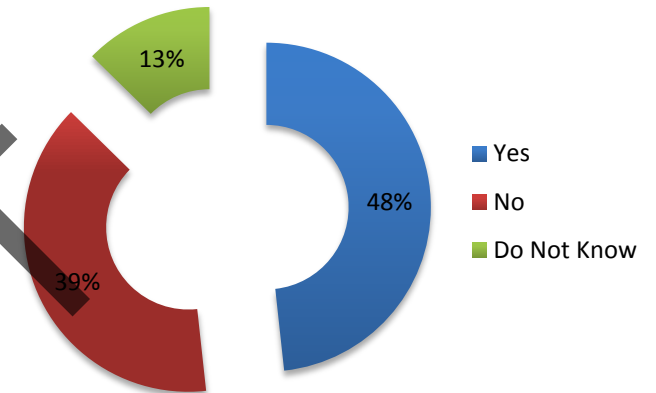




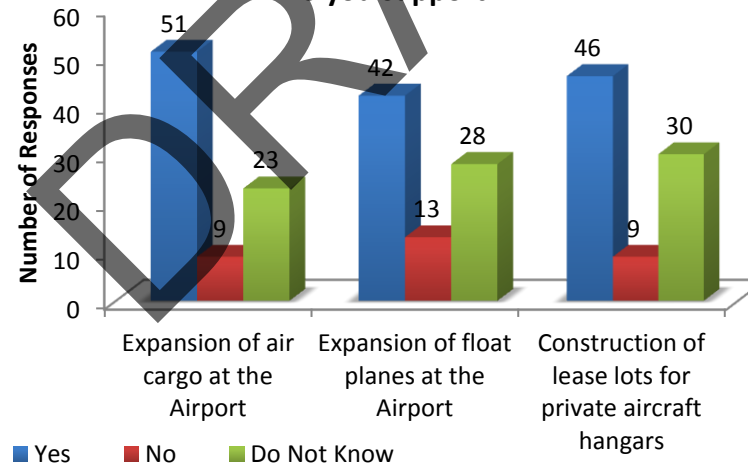
Regarding Senior Services - do you support:



Do you support a \$20 annual fee for library users that live outside the Kenai city limits?



Do you support:



Summary of Student Survey Responses about Support for Business Sectors and Facilities						
	Strongly Support	Support	Neither Support or Oppose	Oppose	Strongly Oppose	Do Not Know
Green Technology, such as wind/tidal power manufactures, bio-fuel, etc.	40.5%(34)	28.6%(24)	16.7%(14)	3.6% (3)	2.4% (2)	8.3% (7)
Large Retail such as Costco, Kroger's, Target, etc.	25.9%(22)	30.6%(26)	21.2%(18)	9.4% (8)	5.9% (5)	7.1% (6)
Small Retail	24.1%(20)	36.1%(30)	31.3%(26)	2.4% (2)	0.0% (0)	7.2% (6)
High Tech., such as software development, server farms, etc.	22.6%(19)	32.1%(27)	35.7%(30)	3.6% (3)	0.0% (0)	7.1% (6)
Oil & Gas Exploration & Development Companies	24.7%(21)	29.4%(25)	25.9%(22)	3.5% (3)	5.9% (5)	10.6% (9)
Oil & Gas Service Companies	22.4%(19)	28.2%(24)	27.1%(23)	7.1% (6)	5.9% (5)	10.6% (9)
Government, Federal, State & Local	11.8%(10)	14.1%(12)	43.5%(37)	7.1% (6)	9.4% (8)	15.3%(13)
Manufacturing, such as pre-fabricated homes, metals, concrete, etc.	14.1%(12)	32.9%(28)	31.8%(27)	7.1% (6)	2.4% (2)	11.8% (10)
Tourism oriented businesses	17.6%(15)	32.9%(28)	23.5%(20)	10.6%(9)	5.9% (5)	10.6%(9)
Service Support Companies for West Cook Inlet Developments (e.g., mining)	17.9%(15)	21.4%(18)	29.8%(25)	9.5% (8)	9.5% (8)	11.9%(10)
Should the City of Kenai construct and operate a convention center?	16.5%(14)	12.9%(11)	36.5%(31)	10.6%(9)	7.1%(6)	18.8%(16)
Would you support an increase in property tax and/or sales tax to construct and operate a convention center?	11.8%(10)	7.1% (6)	30.6%(26)	16.5%(14)	14.1%(12)	21.2%(18)
Would you support local property tax credits for restoration of historic properties?	14.3%(12)	20.2%(17)	28.6%(24)	10.7%(9)	10.7%(9)	16.7%(14)



Suggested by: City Manager

CITY OF KENAI

ORDINANCE NO. 2681-2013

AN ORDINANCE OF THE COUNCIL OF THE CITY OF KENAI, ALASKA, APPROVING AND ADOPTING A REVISED COMPREHENSIVE PLAN FOR THE CITY OF KENAI AND RECOMMENDING ADOPTION BY THE KENAI PENINSULA BOROUGH.

WHEREAS, the Kenai Peninsula Borough, as a second-class borough, provides for planning on an area-wide basis in accordance with Chapter 29.40 of the Alaska Statutes; and,

WHEREAS, the Kenai Peninsula Borough has delegated authority to the City of Kenai to enact land use plan amendments to the Kenai Comprehensive Plan in accordance with KPB 21.01.025; and,

WHEREAS, KPB 21.01.025 requires Kenai Peninsula Borough adoption by ordinance of amendments to the City's Comprehensive Plan for all amendments other than land use plan amendments; and,

WHEREAS, the City's Planning and Zoning Commission held numerous public meetings and has received comments and input regarding the updating of the Comprehensive Plan; and,

WHEREAS, the City's Planning and Zoning Commission on February 13, 2013, reviewed the final draft of the Kenai Comprehensive Plan and recommends to the Kenai City Council approval of the Comprehensive Plan; and,

WHEREAS, the Kenai City Council on April 17, 2013, reviewed the final draft of the Kenai Comprehensive Plan and recommended approval of the Plan to the Kenai Peninsula Borough.

NOW, THEREFORE, BE IT RESOLVED by the Kenai City Council that:

Section 1. Form: This is a non-code ordinance

Section 2. The Final Draft of the Kenai Comprehensive Plan prepared by Glenn Gray and Associates, Bechtol Planning and Development, and Alaska Map Company, as amended by the City Council, is hereby approved and adopted as the Comprehensive Plan of the City of Kenai.

Section 3. This Plan is hereby recommended to the Kenai Peninsula Borough for adoption as the official Borough Comprehensive Plan within the City of Kenai planning area of the Borough.

Section 4. Severability: If any part or provision of this ordinance or application thereof to any person or circumstances is adjudged invalid by any court of competent jurisdiction, such judgment shall be confined in its operation to the part, provision, or application directly involved in all

controversy in which this judgment shall have been rendered, and shall not affect or impair the validity of the remainder of this title or application thereof to other persons or circumstances. The City Council hereby declares that it would have enacted the remainder of this ordinance even without such part, provision, or application.

Section 5. Effective Date: Pursuant to KMC 1.15.070(f), this ordinance shall take effect 30 days after adoption.

PASSED BY THE COUNCIL OF THE CITY OF KENAI, ALASKA, this 17th day of April 2013.



PAT PORTER, MAYOR

ATTEST:


Sandra Modigh, City Clerk

Introduced:
Public Hearing:
Public Hearing:
Adopted:
Effective:

March 6, 2013
March 20, 2013
April 3, 2013
April 17, 2013
May 17, 2013



**CITY OF KENAI
PLANNING AND ZONING COMMISSION
RESOLUTION NO. PZ13-07**

A RESOLUTION OF THE KENAI PLANNING AND ZONING COMMISSION RECOMMENDING APPROVAL AND ADOPTION OF THE COMPREHENSIVE PLAN FOR THE CITY OF KENAI TO THE KENAI CITY COUNCIL.

WHEREAS, The Kenai Peninsula Borough as a second class borough shall provide for planning on an area wide basis in accordance with AS 29.40; and,

WHEREAS, The City of Kenai, as a home rule city inside a second class borough, has updated their Comprehensive Plan; and,

WHEREAS, The Plan was created with extensive public outreach and participation including community meetings, agency outreach, meetings with business leaders and groups, meetings with the Native community, a public survey, newsletters, and a "Facebook" page; and,

WHEREAS, The Kenai Planning and Zoning Commission held over twenty (20) public meetings during the period between April of 2011 and January of 2013; and,

WHEREAS, Planning Staff and the Kenai Planning and Zoning Commission have received numerous comments and input regarding the updating of the Comprehensive Plan; and,

WHEREAS, the Kenai Planning and Zoning Commission considered comments and made changes to the draft Plan based on those comments; and,

WHEREAS, on February 13, 2013 the Kenai Planning and Zoning Commission reviewed the final draft of the Kenai Comprehensive Plan and recommends to the Kenai City Council approval of the Comprehensive Plan.

NOW, THEREFORE, BE IT RESOLVED, that the Planning and Zoning Commission recommends that the Kenai City Council recommend to the Kenai Peninsula Borough, that:

Section 1 – The Final Draft of the Kenai Comprehensive Plan prepared by Glenn Gray and Associates, Bechtol Planning and Development, and Alaska Map Company is hereby approved and adopted as the Comprehensive Plan of the City of Kenai.

Section 2 – This Plan is hereby recommended to the Kenai Peninsula Borough for adoption as the official Borough Comprehensive Plan within the City of Kenai planning area of the Borough.

PASSED BY THE PLANNING AND ZONING COMMISSION OF THE CITY OF KENAI, ALASKA, FEBRUARY 13, 2013.

CHAIRPERSON:

ATTEST: