



# Homer Comprehensive Plan Rewrite

## 2024 Business Survey Results

### September 30, 2024

The City of Homer is updating its Comprehensive Plan. To inform the economic development and related sections of the plan, the City created a business survey for gathering input from Homer businesses. This business survey was implemented in addition to a community survey that was conducted in summer 2024.

- **Timing:** The business survey was open for about six weeks, from July 12, 2024, to August 25, 2024.
- **Design and Promotion:** The survey was designed and promoted with assistance from the City Economic Development Commission and the Homer Chamber of Commerce & Visitor Center.
- **Responses:** 66 individuals responded exceeding the project team’s goal of 50 responses.

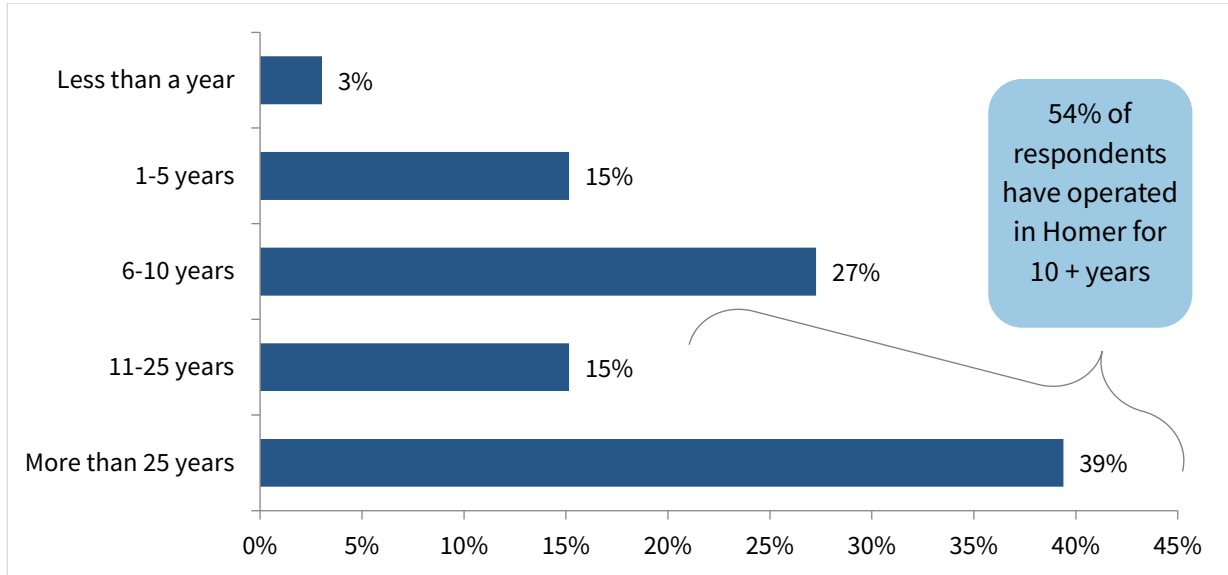
## Index of Results by Question

Question #1, How long has your business operated in the Greater Homer area?.....	2
Question #2, Where is your business located? .....	2
Question #3, My business is primarily home based, physically based, physically based, online based, or other .	3
Question #4, What months of the year do you operate? .....	3
Question #5, What is your average number of employees? .....	3
Question #6, Does your number of employees change throughout the year? .....	4
Question #7, How difficult is it to hire new employees? .....	5
Question #8, What is the single biggest challenge to hiring and retaining employees? .....	5
Question #9, What is your primary business sector?.....	6
Question #10, Indicate the percentage of residents and visitors as a total percentage of your customer base ....	6
Question #11, How would you describe the current business climate in the Greater Homer area?.....	7
Question #12, Over the next year, I expect the economic conditions in the Greater Homer area will... ..	8
Question #13, Over the next year, I expect my staffing counts to change in the following ways .....	8
Question #14, How do you measure success within your industry/sector? .....	9
Question #15, Rate the following factors as “benefits” or “barriers” to doing business in the Homer area. ....	10
Question #16, What three things do you need most to have a successful and thriving business? .....	12
Question #17, What are the three biggest obstacles for your current business operations?.....	12
Question #18, What are the three biggest obstacles to your future business operations? .....	14
Question #19, What else would you like to share regarding owning and doing business in the Homer area?.....	15

# Survey Results

## Question #1, How long has your business operated in the Greater Homer area?

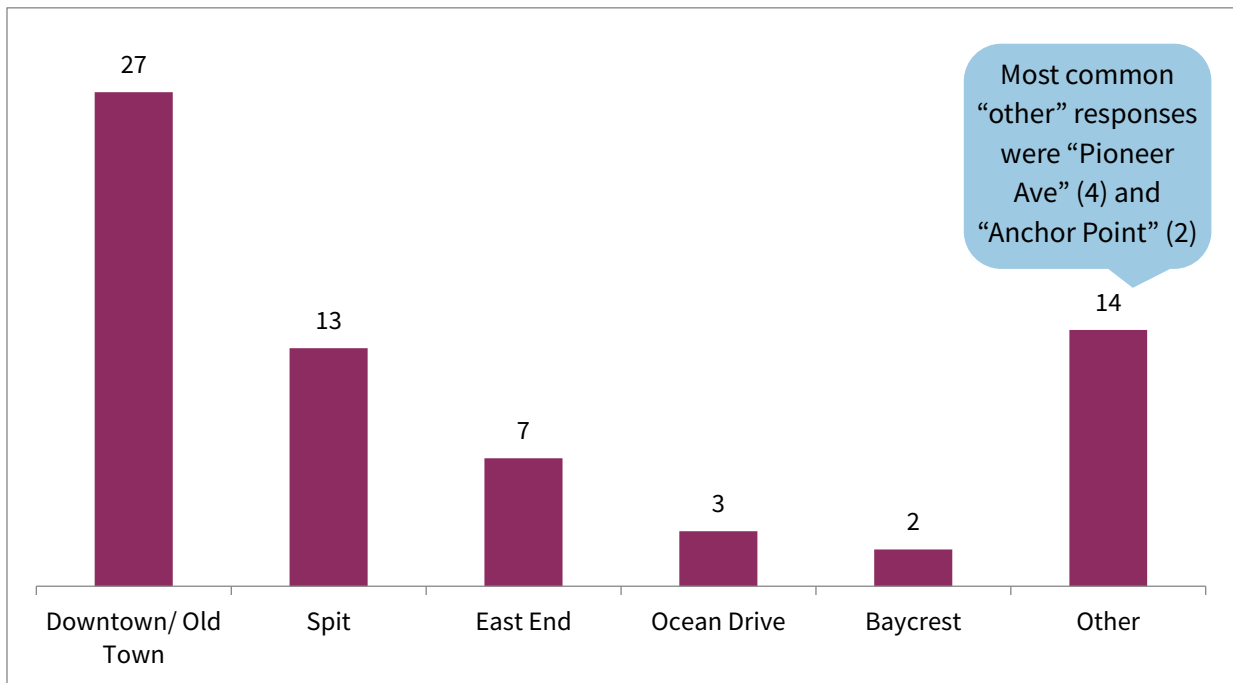
Answered: 66. Percentages may not total 100 percent due to rounding to the nearest whole number.



## Question #2, Where is your business located?

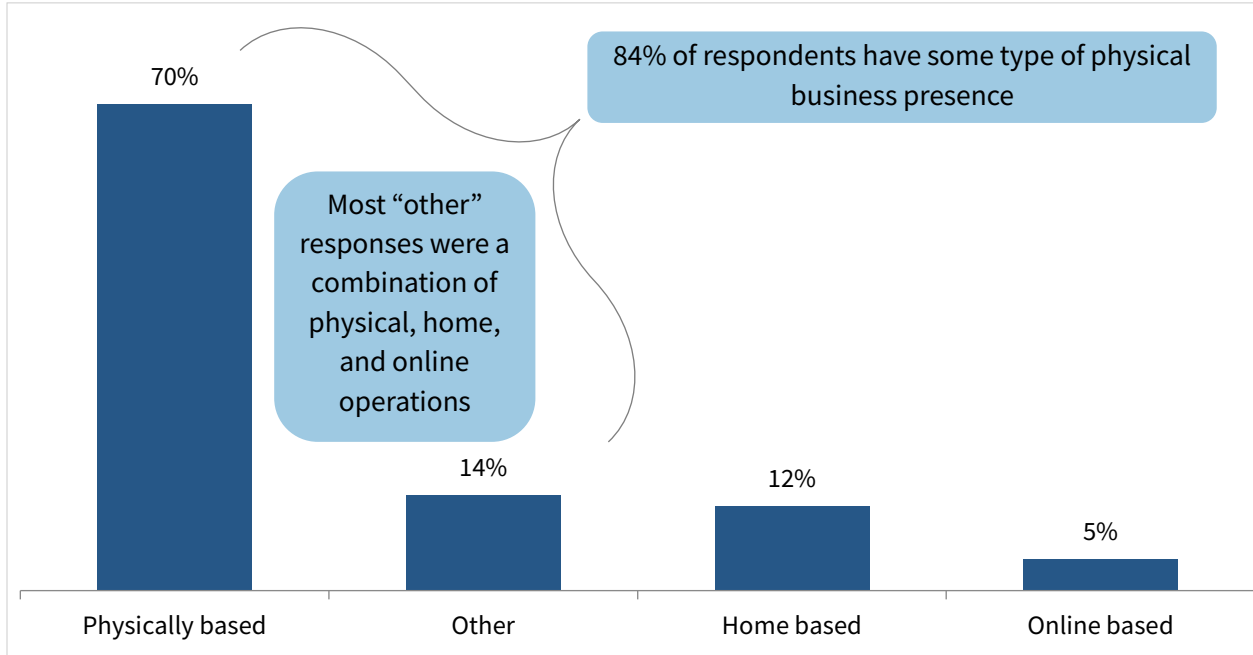
Answered: 65.

\*Note: There were 65 received responses. However, one "Other" response indicated multiple locations, resulting in 66 business locations.



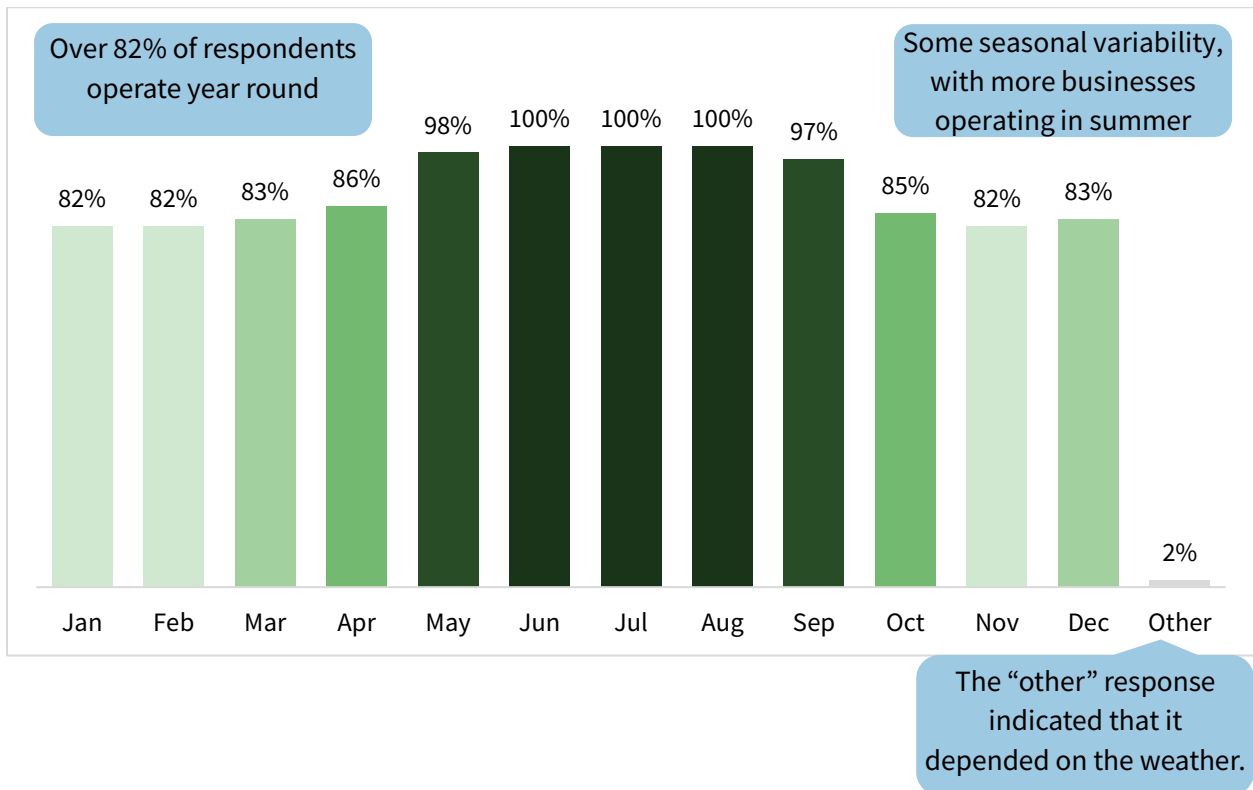
**Question #3, My business is primarily home based, physically based, online based, or other.**

Answered: 66. Percentages may not total 100 percent due to rounding to the nearest whole number.



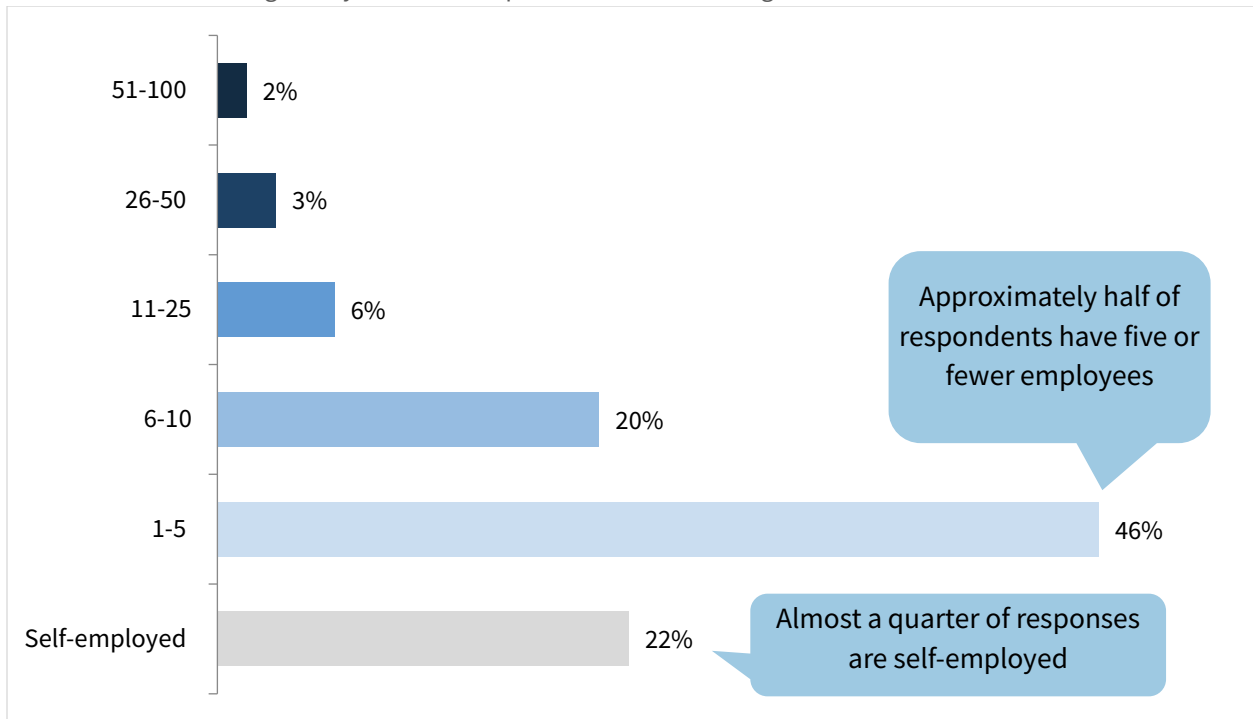
**Question #4, What months of the year do you operate? Select all that apply.**

Answered: 66.



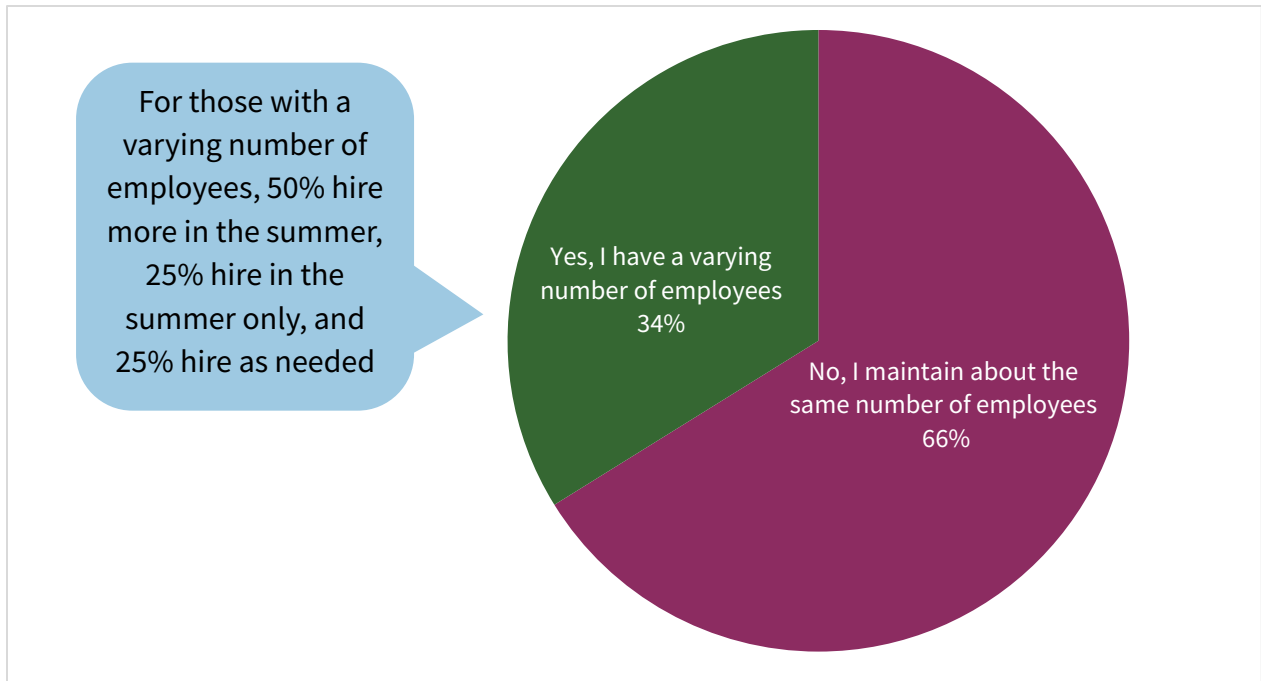
### Question #5, What is your average number of employees?

Answered: 65. Percentages may not total 100 percent due to rounding to the nearest whole number.



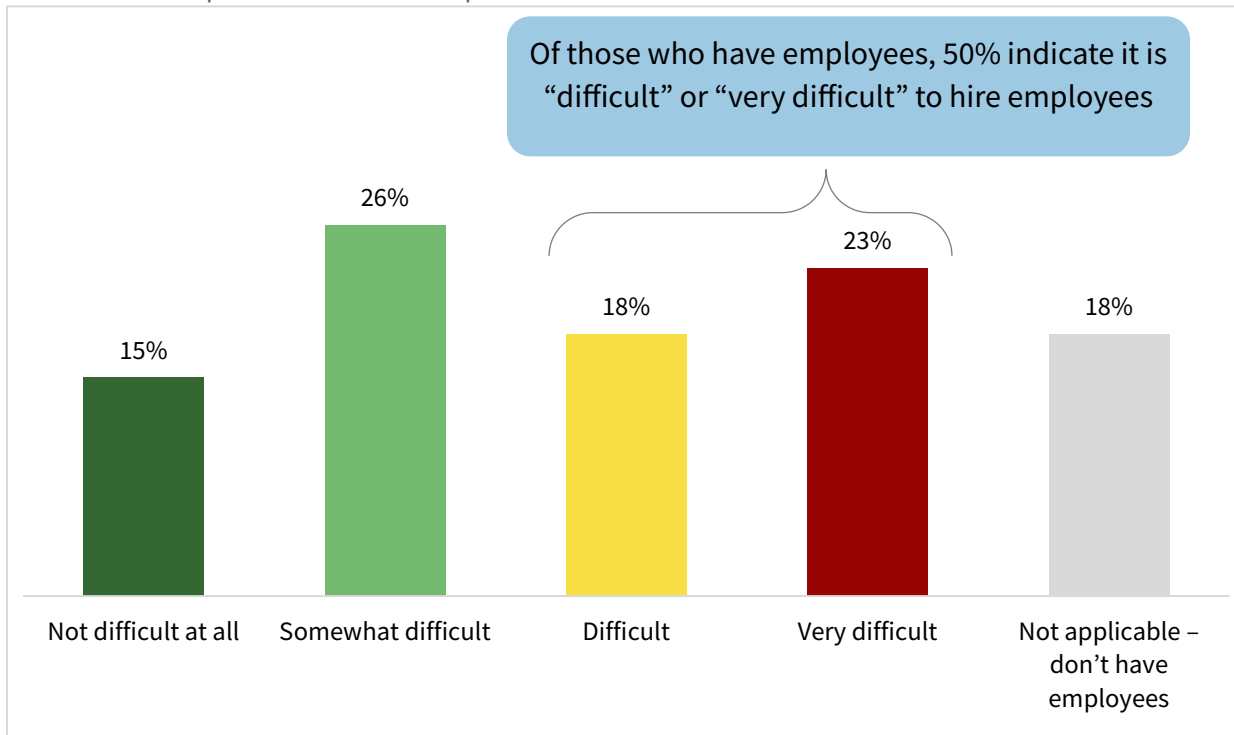
### Question #6, Does your number of employees change throughout the year?

Answered: 65.



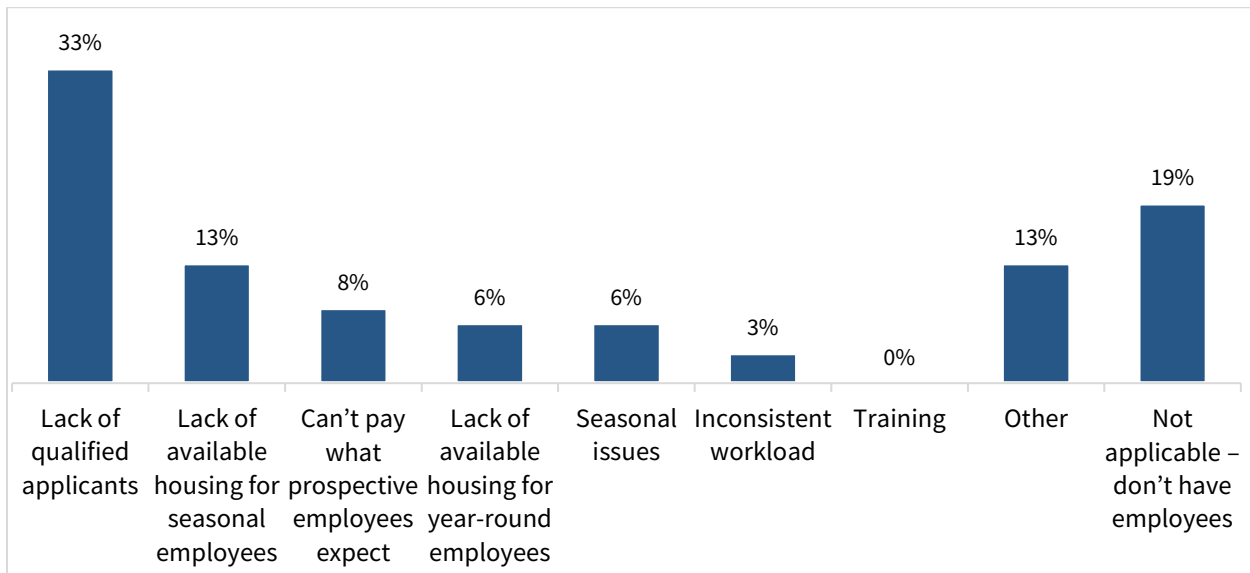
### Question #7, How difficult is it to hire new employees?

Answered: 66. Respondents ranked on a spectrum.



### Question #8, What is the single biggest challenge to hiring and retaining employees?

Answered: 64. Multiple choice question. Percentages may not total 100 percent due to rounding to the nearest whole number.

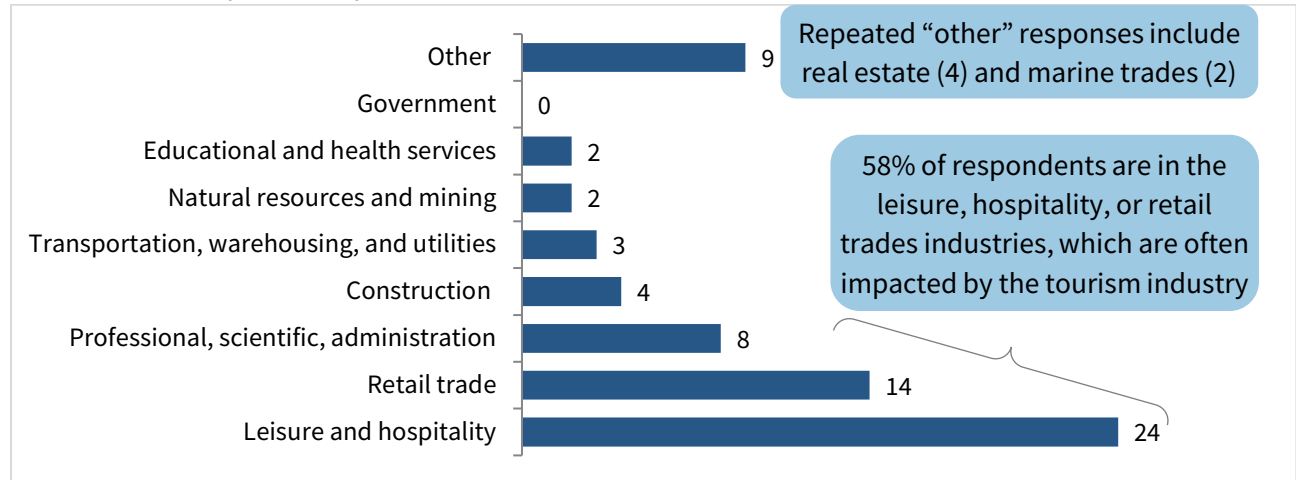


### Other Responses (themes with two or more responses)

- Agree that multiple challenges impact hiring and retaining employees (3)
- Do not have issues hiring and retaining employees (2)

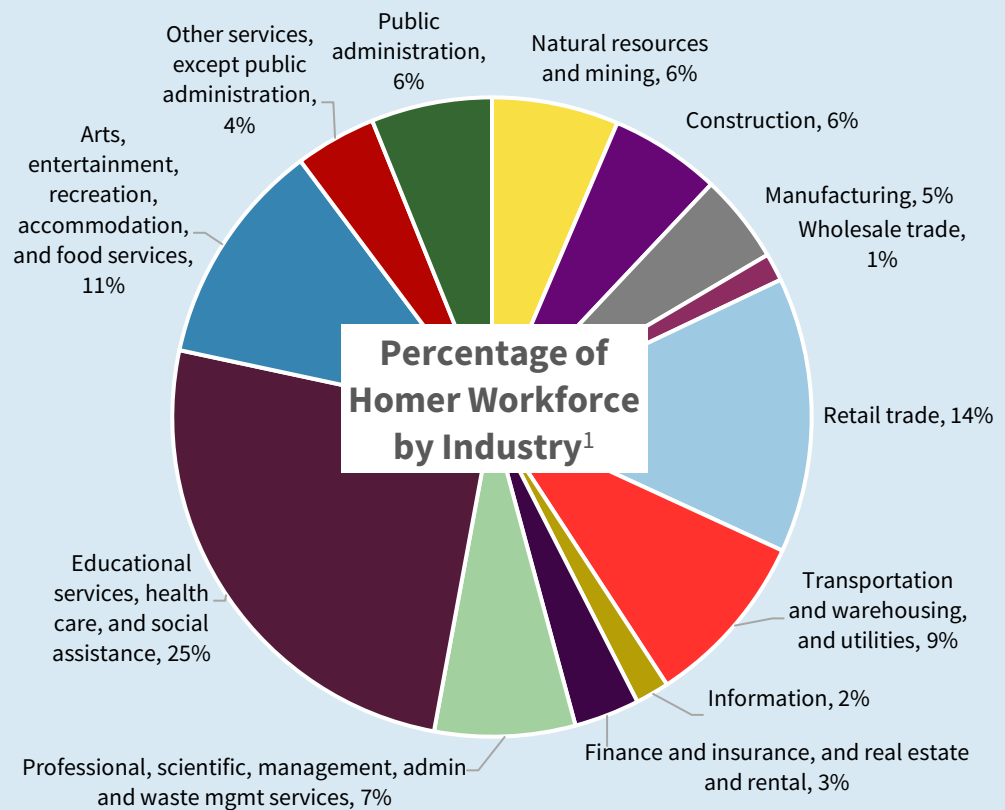
## Question #9, What is your primary business sector?

Answered: 66. Multiple choice question.



**How does this compare to what we know about Homer's economy?** When reviewing industry data across sectors, the three largest employers are 1) education, health care, and social assistance; 2) retail trade; and 3) arts, entertainment, recreation, accommodation, and food services.<sup>1</sup> The figure below provides more detailed information on industries in Homer.

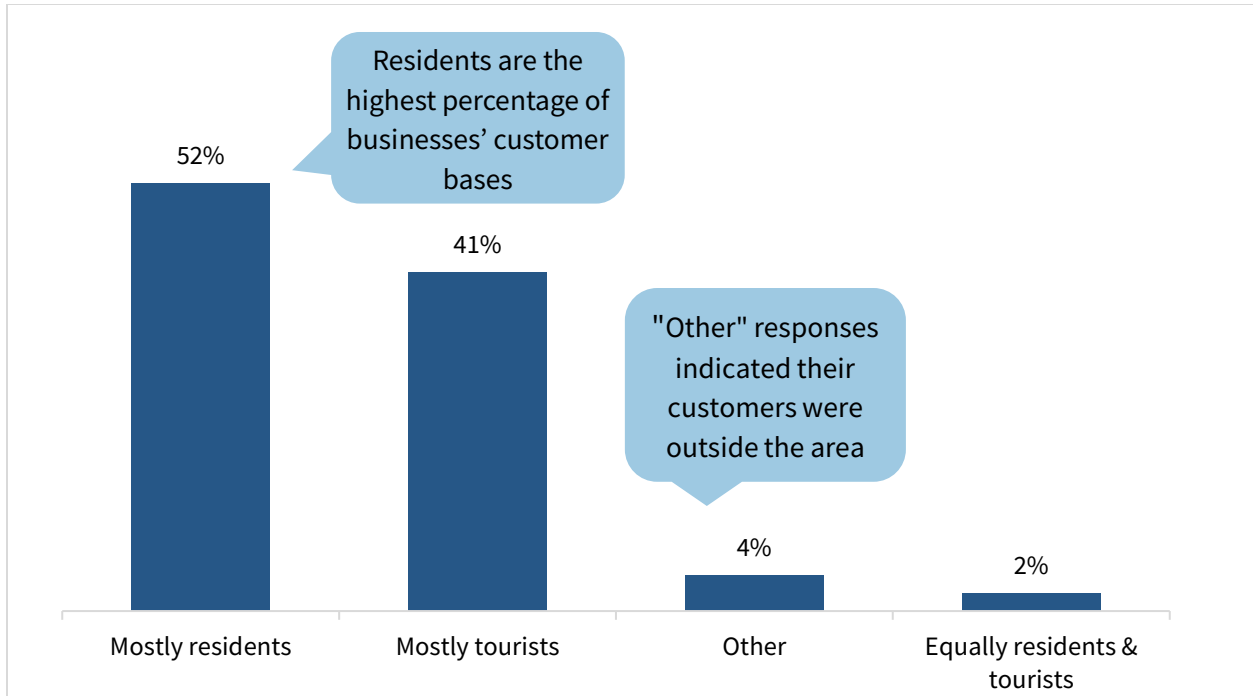
**Note:** The chart on the right should not be used as a direct comparison to the survey responses, as the workforce industry data includes both private and public sectors, as compared to this survey which only includes private sector responses. The categories are also not identical.



<sup>1</sup> U.S. Census Bureau American Community Survey, 2018-2022 Five Year-Estimates<sup>7</sup>; ADOLWD Current Quarterly Census of Employment and Wages<sup>8</sup>, Northern Economics Analysis

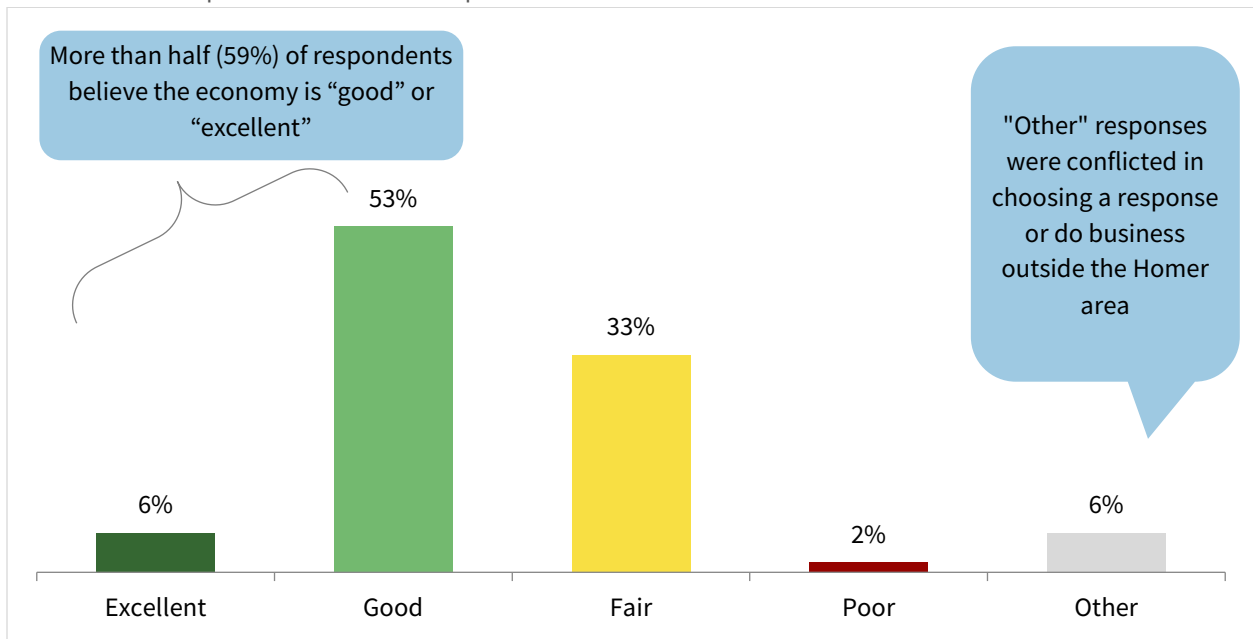
**Question #10, Please indicate the approximate percentage of residents and visitors as a total percentage of your customer base.**

Answered: 46. Respondents indicated the percentages, then responses were then grouped by 50% or more.



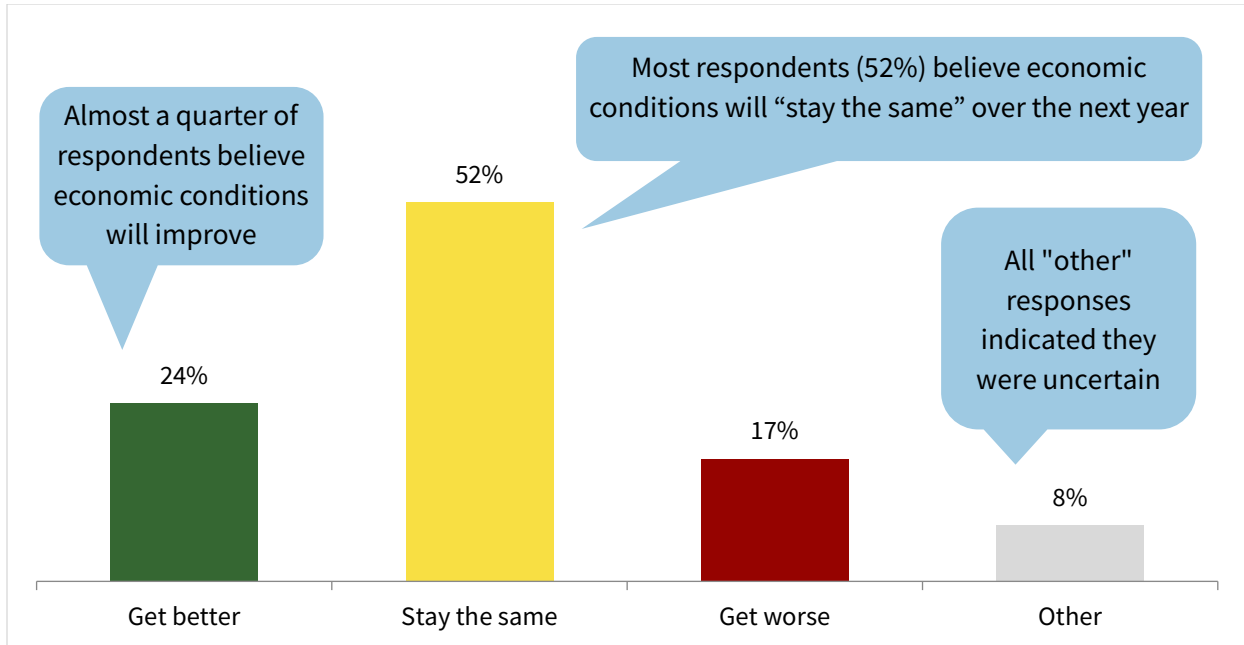
**Question #11, How would you describe the current business climate in the Greater Homer area?**

Answered: 66. Respondents ranked on a spectrum.



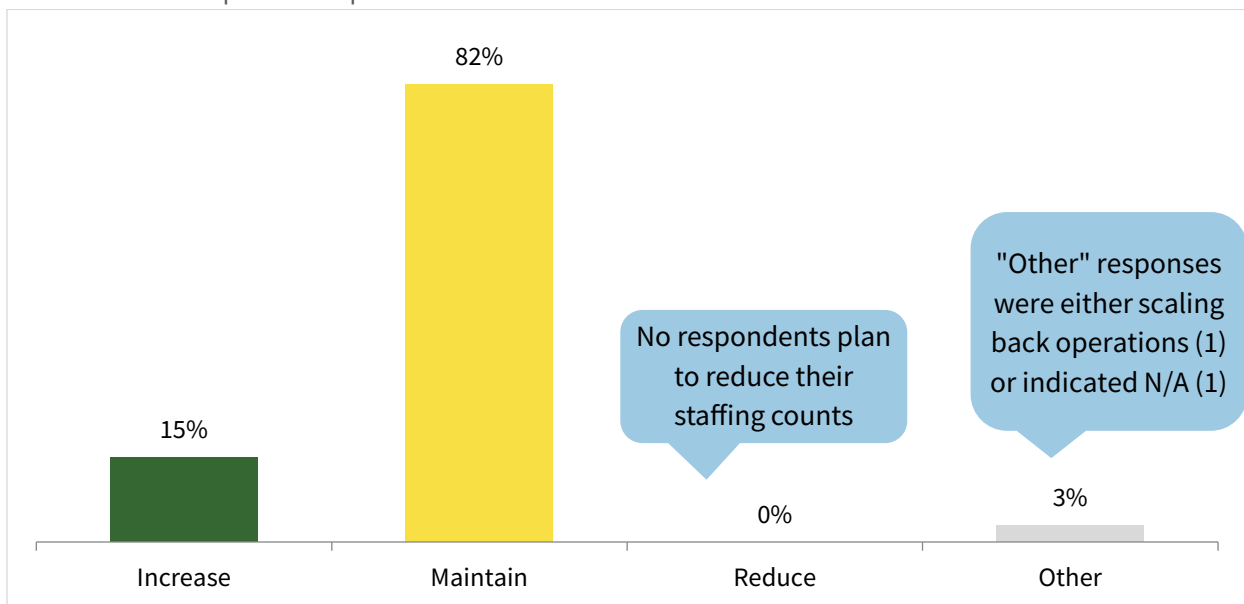
### Question #12, Over the next year, I expect the economic conditions in the Greater Homer area will...

Answered: 66. Respondents ranked on a spectrum.



### Question #13, Over the next year, I expect my staffing counts to change in the following ways. Some responses had multiple themes, so the count will be higher than the total number who answered.

Answered: 66. Multiple choice question.

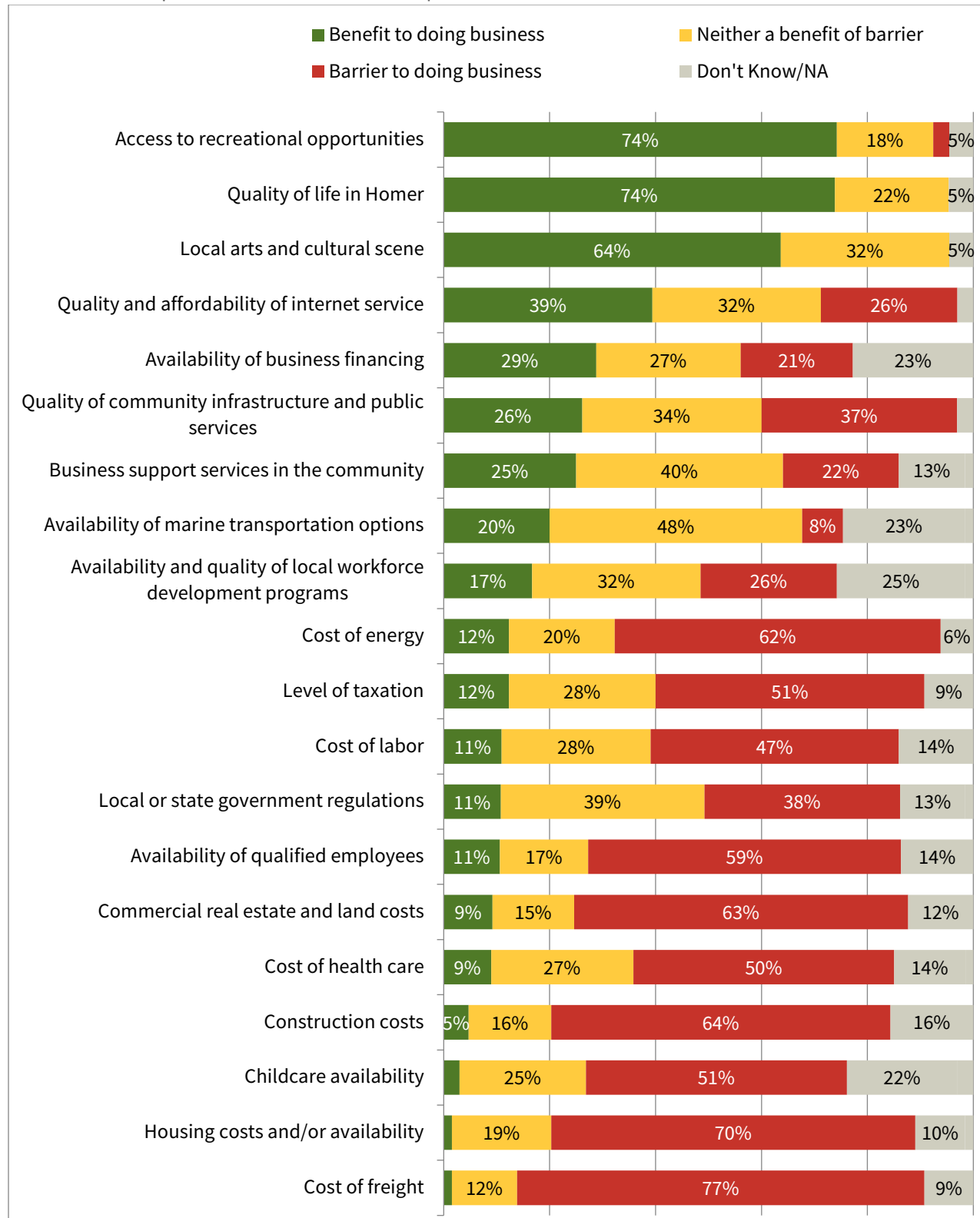






## Question #15, Please rate the following factors as “benefits” or “barriers” to doing business in the Greater Homer area.

Answered: 66. Respondents were asked to rank a provided list of factors.



**Question #15 (cont.) Top “Barriers,” “Neither Benefits nor Barriers,” and “Barriers” to doing business in the Homer area**

<b>Top 5 Benefits of Doing Business in Homer</b>	<b>% of Responses</b>	<b># of responses</b>
<b>Access to recreational opportunities</b>	<b>74%</b>	<b>49</b>
<b>Quality of life in Homer</b>	<b>74%</b>	<b>48</b>
Local arts and cultural scene	64%	42
Quality and affordability of internet service	39%	26
Availability of business financing	29%	19

<b>Top 4* "Neither Benefits nor Barriers"</b>	<b>% of Responses</b>	<b># of responses</b>
Availability of marine transportation options	48%	31
Business support services in the community	40%	25
Local or state government regulations	39%	25
Quality of community infrastructure and public services	34%	22

\*Note: “Top 4” was used rather than “Top 5,” as the next highest response was a three-way tie.

<b>Top 5 Barriers to Doing Business</b>	<b>% of Responses</b>	<b># of responses</b>
Cost of freight	77%	50
Housing costs and/or availability	70%	44
Construction costs	64%	41
Commercial real estate and land costs	63%	41
Cost of energy	62%	40

## Question #16, What three things do you need most to have a successful and thriving business?

Answered: 56. Open-ended question coded for themes. Some responses had multiple themes, so the count will be higher than the total number who answered. Below is a key to describe the category icons.



Economic Development



Quality of Life



Infrastructure



Transportation



Housing












Sustainability & Environment

Themes	Count	Category	Representative Quotes
<b>Access to quality employees</b>	<b>21</b>		<ul style="list-style-type: none"> <li>• Employees that care</li> <li>• Qualified employees</li> <li>• Trained staff</li> </ul>
Support year-round from local shoppers, community, and organizations	15		<ul style="list-style-type: none"> <li>• The support of local shoppers</li> <li>• Community support</li> <li>• Year-round customers</li> <li>• Support from Chamber and Visitor Center</li> </ul>
Related to internal business operations,	15		<ul style="list-style-type: none"> <li>• Customers</li> <li>• Customer service</li> <li>• A good marketing plan</li> </ul>
Favorable regulations and tax structure	10		<ul style="list-style-type: none"> <li>• Low accommodation taxes</li> <li>• Limit on short-term rentals</li> <li>• Less regulation by the city and state</li> </ul>
Affordable cost of living (e.g., groceries, products)	7		<ul style="list-style-type: none"> <li>• Quality and affordable food</li> <li>• Affordable cost of living/goods</li> <li>• Lower groceries</li> </ul>
Low cost and consistent freight	6		<ul style="list-style-type: none"> <li>• Lower freight costs</li> <li>• Consistent delivery of food</li> <li>• Affordable shipping rates</li> </ul>
Marketing to all-season tourism	6		<ul style="list-style-type: none"> <li>• More customers in the winter season</li> <li>• Working with others to promote our area</li> <li>• Winter and summer promotional events</li> </ul>
Low utility costs	5		<ul style="list-style-type: none"> <li>• Lower energy costs</li> <li>• Affordable costs of business (e.g., utilities)</li> <li>• Affordable energy source</li> </ul>
Affordable housing	5		<ul style="list-style-type: none"> <li>• A viable employee base and affordable housing for them</li> <li>• Affordable housing</li> <li>• Affordable seasonal housing</li> </ul>
Draw to area	5		<ul style="list-style-type: none"> <li>• A reason to draw people to the Spit and Homer regardless of environmental factors</li> <li>• Unique offering</li> <li>• Things for people to do</li> </ul>






## Question #17, What are the three biggest obstacles for your current business operations?

Answered: 57. Open-ended question coded for themes. Some responses had multiple themes, so the count will be higher than the total number who answered.

Themes	Count	Category	Representative Quotes
<b>Finding qualified and reliable employees</b>	21		<ul style="list-style-type: none"> <li>• Lack of candidates</li> <li>• Qualified employees you can afford</li> <li>• Ability to retain employees due to high cost of living and housing availability</li> </ul>
High cost of doing business	14		<ul style="list-style-type: none"> <li>• Increased cost of doing business (taxes, public utilities, and rental space)</li> <li>• Payroll</li> <li>• Higher rent, energy, internet services</li> </ul>
Lack of attainable/affordable housing	12		<ul style="list-style-type: none"> <li>• Seasonal housing for staff</li> <li>• Lack of long-term housing</li> <li>• Affordable housing for staff</li> <li>• Rapidly increasing cost of land</li> </ul>
Issues related to local regulations, including building codes, zoning restrictions, and municipal policies	12		<ul style="list-style-type: none"> <li>• Consistent enforcement of regulations</li> <li>• Unable to grow due to city regulations (Square footage, parking, etc.)</li> <li>• Fish restrictions directly affect angler returns</li> <li>• Local and state cost of doing business for licenses</li> <li>• Regulations – code restrictions</li> </ul>
High costs of living	10		<ul style="list-style-type: none"> <li>• Challenge for businesses to fully staff due to the costs of living</li> <li>• High cost of groceries</li> <li>• Increasing cost of everything</li> </ul>
Freight and shipping challenges	9		<ul style="list-style-type: none"> <li>• Cost of freight</li> <li>• Shipping costs</li> <li>• Shipping time/length of time it takes to get goods from the lower 48</li> </ul>
Parking, in-town transportation, and general transportation	9		<ul style="list-style-type: none"> <li>• Parking issues on the Spit</li> <li>• Lack of transport between town and the Spit</li> <li>• Reliable Air transportation to Homer</li> <li>• Lack of transportation for visitors with no car</li> </ul>
External factors: weather conditions, inflation, economic cycles, and policies that affect operations	9		<ul style="list-style-type: none"> <li>• Weather</li> <li>• Uncertainty about state budgets, particularly affecting education</li> <li>• Interest rates and inflation</li> <li>• Economy cycles and a weak national economy</li> </ul>
Utility costs and infrastructure issues	8		<ul style="list-style-type: none"> <li>• High utility costs</li> <li>• Slow and unreliable internet</li> <li>• Infrastructure</li> </ul>





## Question #18, What are the three biggest obstacles to your future business operations? \*





Answered: 50. Open-ended question coded for themes. Most responses to this question repeated concerns expressed in questions 15 to 17. The table below includes new themes not explicitly expressed in previous responses.

Themes	Category	Representative Quotes
Concerns with fisheries		<ul style="list-style-type: none"> <li>• Fishery health</li> <li>• Depleted fish counts</li> <li>• Changes to regulations in Kachemak Bay</li> <li>• Change in regulations for halibut fishing</li> </ul>
Environmental changes and over-tourism		<ul style="list-style-type: none"> <li>• Erosion</li> <li>• Threat of over-tourism</li> <li>• Degradation of environment -- jet skis, degradation of fishing, overcrowding</li> <li>• Overcrowding on the Spit from cruise ships</li> </ul>
Concerns with community beautification and infrastructure		<ul style="list-style-type: none"> <li>• Parking, signage, safe access (pedestrian crossing, buses etc.)</li> <li>• More bike trails &amp; sidewalks needed</li> <li>• HERC is in our front yard and is unsightly</li> <li>• Boarded-up windows in high-traffic areas</li> <li>• Broken sidewalks right outside town on E. End Road</li> <li>• Boardwalk falling apart and pilings falling over</li> <li>• The fact the city has little or no money to repair existing issues and needs</li> </ul>
Aging population		<ul style="list-style-type: none"> <li>• Growing age demographic of the community/seasonal people</li> <li>• Retirement</li> </ul>
Economic uncertainty		<ul style="list-style-type: none"> <li>• Need to diversify economy</li> <li>• Digging out of current deficit of last three years</li> <li>• The abundance of short-term rentals has driven up the price of land for our clients to a degree that it's costing us business, and it's also forcing our employees out of town which makes us have to slow our operations</li> <li>• Negativity of folks about the future</li> </ul>

## Question #19, What else would you like to share regarding owning and doing business in the Greater Homer area?

Answered: 32. Open-ended question coded for themes. Some responses had multiple themes, so the count will be higher than the total number who answered.

Themes	Category	Count	Representative Quotes
Local business support		11	<ul style="list-style-type: none"> <li>Overall, it is a <b>positive place to have a business</b></li> <li>We <b>need a strong and diverse economy</b> for Homer, such as what the Harbor Expansion Plan would provide</li> <li><b>Small business is only possible in Homer without large corporations;</b> as soon as large corporations buy out Homer, small businesses will fail</li> <li><b>Keeping a positive outlook and being supportive of our local businesses</b> is a great way to support the community</li> </ul>
City and government accountability		10	<ul style="list-style-type: none"> <li>Bring <b>taxes back to a reasonable %</b> and <b>focus on infrastructure</b></li> <li>Need <b>consistent enforcement of City ordinances</b>, i.e., sign ordinances; stop passing ordinances unable or unwilling to enforce across the board</li> <li>Homer isn't always business-friendly; <b>parking for locals and slip owners on the Spit</b> is an area where the City is not listening</li> <li><b>Increase the availability of public bathrooms</b> being open, serviceable, and clean</li> <li>Have a <b>procurement officer</b>, and use a minimum of sourcing 3 vendors for goods and services</li> <li><b>Offer incentives to city offices</b> that return funds to the budget and hold people accountable for going over</li> <li><b>Little government interference</b> and let people work</li> </ul>
Tourism		10	<ul style="list-style-type: none"> <li>The <b>Port and Harbor and the marine trade industry is a vital</b> part of Homer's success and year-round work</li> <li>We must <b>prioritize land-based travelers</b> who will spend time &amp; money here vs. cruise ship passengers; <b>Cruise ship passengers</b> do not need accommodations, restaurants, take excursions, or take time to really enjoy all that Homer has to offer</li> <li>Greater <b>investment in marketing dollars</b>, specifically in the marine trades &amp; visitor</li> <li><b>Year-round operations</b> in Homer are difficult</li> </ul>
Appreciation		7	<ul style="list-style-type: none"> <li><b>We love Homer!!</b></li> <li><b>People in this town are a pleasure to work with</b></li> <li>The <b>Chamber of Commerce is FANTASTIC:</b> We are very happy with our relationship</li> </ul>

Themes	Category	Count	Representative Quotes
Infrastructure challenges		7	<ul style="list-style-type: none"> <li>The infrastructure in Homer is lacking: <b>Restrooms at the park</b> and <b>HERC</b> at present. <b>Spit power grid</b> is tapped out; most <b>reliable wifi</b> is Starlink despite much money spent to enhance wired internet; <b>water treatment</b> area stinks up the whole slough area; failing <b>floats at the Harbor</b></li> <li><b>Better maintained roads</b> and access points, especially Kachemak Dr. gravel parking lots on the Spit</li> <li><b>If sewer and water infrastructure were available</b> outside of the City of Homer, it would help provide more affordable housing options</li> </ul>
Community and quality of life		6	<ul style="list-style-type: none"> <li><b>Homer's draw is the small-town feel:</b> The Beauty of Kachemak Bay, the south-side, KBay State Parks, trails, glaciers, berries, peace in general</li> <li>There is <b>much more to Homer and the folks who live here</b> than a lot of people realize</li> </ul>
Environmental and aesthetic considerations		6	<ul style="list-style-type: none"> <li>Can't emphasize enough the <b>importance of maintaining a feeling of being close to nature</b> and having nature-based experiences for visitors</li> <li>Would love to have <b>nicer blended-built buildings</b> that are aesthetically pleasing</li> </ul>
Business space and real estate		3	<ul style="list-style-type: none"> <li>We are extremely busy all the time and <b>can't expand due to high costs of housing</b> and lack of real estate</li> <li><b>Open more business spaces on the Spit</b> by building more boardwalk space in harbor and on the other side of the Spit to bring in more business and reduce cost of rental spaces</li> </ul>

### Question 19 Observations/Related Key Takeaways

Observations are provided for question 19 due to the breadth and sometimes contrasting nature of the responses.

- Respondents love Homer and feel like it is a special place to live, and there is an interest in preserving the quality of life for residents
- There is a call from business owners to invest in infrastructure and improvements that would benefit residents, who are their year-round customers
- This question brought out varying and sometimes conflicting opinions between wanting more government involvement via services and aesthetic improvements, while also wanting less government involvement in regulations and oversight
- There is some tension and polarizing opinions between small business owners and what appears to be larger tourism-based businesses. Small businesses feel unheard of by the City, while larger businesses appear to be happy with the city's current plans for harbor expansion.