



City of Homer

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Port and Harbor

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Memorandum 20-016

TO: HOMER CITY COUNCIL

THROUGH: KATIE KOESTER, CITY MANAGER

FROM: BRYAN HAWKINS, PORT DIRECTOR/HARBORMASTER

DATE: JANUARY 21, 2020

SUBJECT: RE: FUNDING FOR USACE GENERAL INVESTIGATION STUDY-PORT EXPANSION

Homer's Port & Harbor is a regional port, serving the needs of commercial vessels operating across southcentral and western Alaska in the maritime industrial, marine transportation, and commercial fishing industries. Over time, demand has outgrown Homer harbor's ability to safely and efficiently serve this fleet. Certain sizes of commercial vessels can't access the port and harbor due to depth limits and configuration of the harbor entrance. Those that can find harbor moorage at capacity. Even after rafting large vessels three to four deep on the moorage floats, Homer annually turns away 40-60 vessels requesting to home port.

The City has identified a new large vessel harbor as its highest priority capital project to (1) meet current need, (2) address overcrowding and associated navigational safety concerns and high maintenance costs, and (3) support emerging regional and national economic opportunities such as the opening of the Arctic for transportation and resource development.

High demand combined with favorable changes in cost drivers (new local sources of more competitively priced building materials and an in-water option for disposal of dredge material) prompted the City and Corps to continue the general investigation from 2009 utilizing a Section 22 Planning Assistance to States Program grant.

The positive results from that Planning Assistance to States Study provided a Cost Benefit Ratio that qualified for further USACE funding going forward, with the General Investigation Study portion of Homer's Large Vessel Port Expansion being the next step, and they placed the project on their 2020 Work Plan and 2021 Budget accordingly. Final approval of USACE's 2020 Work Plan is currently set for Feb 10 2020 and we will know more at that time. The Alaska Dept. of Transportation is also working to secure a financial commitment from the State. By budgeting for the City's commitment for the cost of completing the upcoming General Investigation Study it not only helps with our own planning but also can be used as assurance to both the Federal and State entities as they endeavor to also approve their respective funding portions.

Once all funding portions are in place we will still need to enter into a formal agreement that will be presented to City Council for approval, before the General Investigation Study can commence. This Ordinance is simply to plan and budget for such an event so that the prerequisites are in place.

RECOMMENDATION

That City Council approve Ordinance 20-06 amending the FY2020 Operation budget by appropriating funds in the amount of \$750,000. From the General Fund fund balance for the purpose of conducting a General Investigation Study in partnership with the U.S. Army Corps of Engineers and the Alaska Dept. of Transportation for the Homer Large Vessel Port Expansion.

Enc:

CIP Page Write up - Homer Port & Harbor: New Large Vessel Moorage Facility

Letter to Governor Dunleavy Requesting State Participation

Planning Assistance to States Study Executive Summary

Entire report can be found at <https://www.cityofhomer-ak.gov/port/new-large-vessel-port-expansion-project>