

**CITY OF HOMER
HOMER, ALASKA**

Smith/Lord

ORDINANCE 20-06

AN ORDINANCE OF THE CITY COUNCIL OF HOMER, ALASKA,
AMENDING THE 2020 CAPITAL BUDGET BY APPROPRIATING
FUNDS IN THE AMOUNT OF \$750,000 FROM THE GENERAL FUND
FUND BALANCE FOR THE PURPOSE OF REINITIATING AND
CONDUCTING A U.S. ARMY CORPS OF ENGINEERS GENERAL
INVESTIGATION STUDY FOR THE HOMER LARGE VESSEL PORT
EXPANSION.

WHEREAS, The City Council has identified the Homer Large Vessel Port Expansion as its
top priority Capital Improvement Project (CIP); and

WHEREAS, In 2019 the City and the U.S. Army Corps of Engineers (USACE) completed a
Planning Assistance for States(PAS) study that took a high level look at the costs and benefits
of expanding the City's port facility to include a large vessel harbor providing safe moorage for
vessels up to 250 feet; and

WHEREAS, The results from that PAS study showed a positive economic cost to benefit
ratio and the USACE, anticipating a positive Section 905(b) analysis and the development of a
Project Management Plan, placed the Homer Port Expansion General Investigation Study on
their 2020 work plan budget, as well as their 2021 regular budget, to secure funds for their
share of that study; and

WHEREAS, In 2007 the City and the State of Alaska Department of Transportation (DOT)
entered into a Memorandum of Agreement to share the non-federal costs of the General
Investigation of Homer's port expansion study; and

WHEREAS, Staff shared the results of the PAS study with ADOT and have been working
to secure a financial commitment from the State for the purpose of resuming and completing
the General Investigation that we started in 2007; and

WHEREAS, The cost of this study will be shared between the USACE (50%), the State
DOT (25%), and the City (25%) with the USACE contributing \$1,500,000; the State \$750,000; and
the City \$750,000; and

WHEREAS, The General Investigation will cover planning aspects needed to build a
large vessel port at the Homer Spit including, but not limited to: breakwater basin design,
economic factors, environmental, geo-physical, construction methods and costs. The end

result of the study will provide an end Benefit Cost Ratio that will justify federal funding for final construction; and

WHEREAS, The purpose of this ordinance is to budget for the City's commitment for the cost of completing a General Investigation Study for the Homer CIP-listed Large Vessel Port Expansion, and thereby take the next step in building a port expansion that will address both the navigational safety concerns that come from current overcrowding as well as support emerging regional and national economic opportunities; and

WHEREAS, It is appropriate that the City participate in funding the General Investigation study as the new Large Vessel Port will magnify our current Port and Harbor's vital contribution to the City of Homer's overall economic growth, health and welfare.

NOW THEREFORE, THE CITY OF HOMER ORDAINS:

Section 1: The FY 2020 Capital budget is hereby amended by appropriating funds in the amount of \$750,000.00 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, as follows:

Account No.	Description:	Amount:
	U.S. ACE General Investigation Study- Large Vessel Port Expansion	\$750,000.00

Section 2: The Finance Department is directed to establish a project account for the Large Vessel Harbor to track all project related expenses.

Section 3: This is a budget amendment ordinance and shall not be codified.

ENACTED BY THE CITY COUNCIL OF HOMER, ALASKA, this ____ day of _____, 2020.

CITY OF HOMER

KEN CASTNER, MAYOR

ATTEST:

MELISSA JACOBSEN, MMC, CITY CLERK

YES:

NO:

ABSTAIN:

ABSENT:

First Reading:

Public Hearing:

Second Reading:

Effective Date:

Reviewed and approved as to form.

Katie Koester, City Manager

Date: _____

Michael Gatti, City Attorney

Date: _____