

CITY OF HOMER

First Class City

2018 Population: 5,443

FY2010 to FY2019 CPV Excise Tax Revenue: \$



PROFILE

The City of Homer, located within the Kenai Peninsula Borough, has more than 5,000 residents. Commercial fishing has been the traditional mainstay of the Homer economy; however, the city also has a growing arts community and tourism is becoming increasingly important. Homer is also a gateway to destinations such as Kachemak Bay State Park and Lake Clark National Park and Preserve.

In past years, Homer primarily received small and medium-sized cruise ships, but regular visits from Holland America Line vessels between 2008 and 2012 and during 2015 and 2016 boosted annual passenger numbers to near or more than 10,000 visitors during those years. Throughout the past 10 years, Homer has hosted ship calls and nearly passengers.

Homer Cruise Ship Visitors 2010 to 2019		
Calendar Year	Ship Calls	Passengers
2010	9	12,828
2011	14	14,990
2012	7	8,833
2013	1	254
2014	5	5,662
2015	10	11,399
2016	9	10,071
2017		
2018		
2019		
Total		

Source: Cruise Line Agencies of Alaska.

PROJECTED NEEDS OF COMMUNITY

To plan for the community’s cruise vessel and passenger needs, the harbor master, city manager, and public works director identify priority projects and propose them to the Ports and Harbor Commission. The commission sends approved projects to the city council to be vetted through the public process.

Priority Projects for CPV Revenue	
Category	Description
Other CPV Services	Cruise ship passenger staging amenities (benches and signage at drop off points)
Port Facilities	Cruise ship staging area/restroom
Port Facilities	Restroom and cruise ship passenger staging area on the Homer Spit at Ramp 2

Source: City of Homer.

CPV REVENUE DISTRIBUTION

When eligible ports of call, such as Homer, are cities located in a borough, the city and the borough each receive \$2.50 of every \$5 passenger fee shared with the port community. To date, the City of Homer’s share of CPV Excise Tax revenue is \$.

CPV Revenue Distribution FY2010 to FY2019		
Fiscal Year	City Share	Passengers ¹
2010	\$3,725	1,490
2011	\$31,788	12,715
2012	-	-
2013	\$21,710	8,684
2014 ¹	\$33,542	13,417
2015	\$13,925	5,570
2016	\$27,055	10,822
2017		
2018		
2019		
Total		

Source: Alaska Department of Revenue, Tax Division.

¹ In January 2016, Homer received shared revenue due in FY2012 in January 2014.

The Kenai Peninsula Borough assembly passed an ordinance making the borough’s share of the CPV Excise Tax available to Homer and Seward through a grant process. The ordinance stipulates that the funds must be used for port and harbor improvements that benefit cruise ship passengers for purposes that comply with AS 43.52.200-298, SB 256, and HB 310. Homer and Seward city managers submit letters to the Kenai Peninsula Borough mayor to request funding. The grant request must specify how the

project meets the expenditure requirements established in state law. Homer has received an additional \$134,643 in grants from the Kenai Peninsula Borough that was the borough's share of CPV revenue during the same time period.

LEGISLATIVE GRANTS

In addition to sharing in CPV revenue, the City of Homer has received one legislative grant from the Commercial Vessel Passenger Tax Account for cruise ship dock infrastructure.

CPV-Related Legislative Grants		
Fiscal Year	Project	Amount
2012	Cruise ship dock and passenger facility improvements	\$6,000,000
Total		

Sources: Alaska Division of Community and Regional Affairs and Alaska State Legislature, Division of Legislative Audit, Audit 04-30083-16.

CPV REVENUE EXPENDITURES

Homer used its share of CPV revenue for harbor restrooms and a passenger staging area. Since 2014, the City of Homer has let the state CPV revenue accumulate to apply to larger capital improvement projects. Plans include a restroom and cruise ship

passenger staging area on the Homer Spit at Ramp 2 from which many shore-side excursions launch.

CPV Revenue Expenditures FY2007 to FY2019		
Category	Description	Expenditures
Harbor Infrastructure	Cruise ship passenger staging area	\$31,000
Other CPV Services	Guard house restrooms	\$30,000
Port Facilities	Ramp 3	\$35,000
Total		\$96,000

Sources: City of Homer and Alaska State Legislature, Division of Legislative Audit, Audit 04-30083-16

RELATED INFORMATION

- City of Homer. 2011. *Homer Spit Comprehensive Plan*. (<http://www.cityofhomer-ak.gov/planning/spit-comprehensive-plan-2011>)
- City of Homer. 2011. *Proposed Layout for Staging at Ramp 2 Including New Restrooms*.

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