

Presented By:
Port Director

Action Taken:
Yes____
No____
Abstain____

CITY OF NOME, ALASKA

RESOLUTION NO. R-23-10-03

A RESOLUTION AUTHORIZING THE CITY MANAGER TO ENTER INTO A CONTRACT WITH NORTHERN ECONOMICS TO PERFORM WORK KNOWN AS THE PON TARIFF RATE STUDY & ANALYSIS FOR A LUMP SUM FEE OF \$58,200

WHEREAS, in 2013, the City contracted with Northern Economics for a tariff rate study to determine if port fees were appropriately structured to fund operations, maintenance and capital replacement needs with the anticipated growth and expansion of the Port of Nome; and,

WHEREAS, Northern Economics responded with a memo presenting three rate increase scenarios with various levels of grant funding, resulting in a recommendation for a steep increase which ultimately became a graduated scale as determined by the City; and,

WHEREAS, the City then contracted with Cordova Consulting in 2017, to provide a Port & Harbor Development Analysis as an update to the earlier findings, resulting in a recommendation to implement a local head tax on cruise passengers and to adjust rates to the annual CPI rate of ANC-Rural each year – both of which have provided benefit to port revenues; and,

WHEREAS, with the Port of Nome serving as the regional maritime hub facility for over fifty (50) northwestern Alaska villages, for commodity transshipment, and also as the only publicly-owned coastal maritime infrastructure north of the Aleutians for the refuel/resupply of Arctic vessels, amplifying the importance of Nome’s port & harbor facility; and,

WHEREAS, the City signed a Project Partnership Agreement with the USACE which defines the project cost-share and facilitates solicitation of construction of the Port of Nome Modifications Project, highlighting the imperative for the City obtain an updated study and analysis of port tariff fees to ensure alignment with existing operations, maintenance and ongoing growth; and,

WHEREAS, on August 24, 2023, the City solicited for qualified firms to propose on performing a rate study and analysis, with only 1 proposal received by the deadline, and evaluated by the Port Commission and staff, with recommendation to award to Northern Economics; and,

NOW, THEREFORE, BE IT RESOLVED, the Nome Common Council hereby authorizes the City Manager to enter into an agreement with Northern Economics to perform the PON Tariff Rate Study & Analysis, for a fee of \$58,200, per the RFP, and with guidance from the City and Public.

APPROVED and SIGNED this 10th day of October, 2023.

JOHN K. HANDELAND,
Mayor

ATTEST:

**Jeremy Jacobson,
Deputy City Clerk**