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**CITY OF HOMER
HOMER, ALASKA**

Port & Harbor
Advisory Commission

RESOLUTION 15-018

A RESOLUTION OF THE CITY COUNCIL OF HOMER, ALASKA, REQUESTING THE KENAI PENINSULA BOROUGH TRANSFER THEIR PORTION OF THE FISHERIES BUSINESS TAX ALLOCATED BY THE STATE OF ALASKA TO THE PORT AND HARBOR ENTERPRISE FUND FOR THE PURPOSE OF INCREASING AND MAINTAINING THE PORT AND HARBOR DEPRECIATION RESERVES.

WHEREAS, Alaska Statute 29.60.450 Fisheries business tax allocation authorizes the collection of a fish landing fee in locations where fish is received and processed; and

WHEREAS, Fisheries business tax is collected at the landing-site or point-of-sale. Of the tax collected in Homer, the State retains 50% into its general fund, and allocates 25% to the city in which the resource was processed and 25% to the Borough in which that city is located; and

WHEREAS, The tax dollars collected from the fishermen at the point-of-sale are in-part a resource tax for the State and in-part a revenue tax meant to help communities directly impacted by the significant effects of fisheries business activities; and

WHEREAS, Over the last three years an average of 15,000,000 pounds of fish per year came across Homer's docks, including sable fish, halibut, salmon, and pacific cod; and

WHEREAS, The fisheries business tax collected in Homer harbor would be far better invested in the facilities that create the tax opportunity to insure the support infrastructure is maintained in perpetuity; and

WHEREAS, All sales tax revenue collected from harbor enterprise related services is allocated to the City of Homer's and Kenai Peninsula's budgets, and none of that revenue is returned to the Port and Harbor Enterprise fund; and

WHEREAS, A goal of the Harbor staff and the Port and Harbor Advisory Commission is to keep the harbor safe, structurally sound, easily accessible, and in compliance with state and federal requirements, while maintaining a rate structure that is competitive. These efforts are for the purpose of maintaining and serving Homer's large local and visiting fishing fleet, promoting sport fishing and recreational harbor use, and encouraging growth of all harbor industry; and

WHEREAS, The Harbor continually works to maintain their existing infrastructure, make necessary repairs and improvements, and has recently secured revenue bonding to make essential repairs to the floats, water and electrical systems, and the harbor fire protection system; and

46 WHEREAS, An additional goal is to have the capability to maintain the harbor infrastructure
47 through state and federal funding, along with harbor reserves, rather than utilizing loans or bonding
48 which accrue interest to be paid on monies borrowed resulting in additional cost to the harbor and it's
49 users; and
50

51 WHEREAS, The Kenai Peninsula Borough's portion of the Fisheries business tax allocated by
52 the state would make a significant contribution each year to the Port and Harbor Depreciation
53 Reserves and would help ensure that the Homer Harbor can continue to grow the reserve fund to
54 maintain current infrastructure and service the industries that play a key role in supporting the City of
55 Homer's tax base as well as the Kenai Peninsula Borough's tax base; and
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57 WHEREAS, The Kenai Peninsula Borough has taken similar action with granting their portion
58 of the Cruise Ship Head Tax to the Harbor Enterprise fund; and
59

60 WHEREAS, The Homer City Council adopted Resolution 12-042 on May 14, 2012 which makes
61 the same request from the Kenai Peninsula Borough, however it doesn't appear the Borough
62 Assembly heard or made a recommendation to the City's request.
63

64 NOW, THEREFORE, BE IT RESOLVED that the City Council of Homer, Alaska requests the Kenai
65 Peninsula Borough transfer their portion of the Fisheries business tax allocated by the State of Alaska
66 to the Homer Harbor Enterprise for the purpose of increasing and maintaining the Port and Harbor
67 Depreciation Reserves.
68

69 BE IT FURTHER RESOLVED that the funds be transferred on an annual basis as a "pass
70 through" with no grant agreement or reporting requirements as no such requirements are included in
71 the statutes governing this program or imposed upon the Borough.
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73 PASSED AND ADOPTED by the Homer City Council this 23rd day of March, 2015.
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75 CITY OF HOMER

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79 MARY E. WYTHE, MAYOR
80

81 ATTEST:

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83 
84 _____
85 JO JOHNSON, MMC, CITY CLERK
86

87 Fiscal Impact: Estimated revenue \$70,000