



City of Homer

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Port and Harbor

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Memorandum 20-169

TO: HOMER CITY COUNCIL & MAYOR CASTNER

FROM: BRYAN HAWKINS, HARBORMASTER/PORT DIRECTOR

THRU: ROBERT DUMOUCHEL, CITY MANAGER

DATE: OCTOBER 7, 2020

SUBJECT: FISHERMEN ECONOMIC RELIEF GRANT PROGRAM (FERG)

The COVID -19 pandemic is a public health emergency with wide spread financial impacts on businesses and individual households alike. In the City's ongoing effort to put federal relief dollars to work where they will do the most good for the community, economic relief programs have been developed for small businesses, nonprofits and households that suffered loss due to the COVID-19 emergency. However commercial fishing did not qualify for relief under any of the City of Homer grant relief programs.

There are a large number of commercial fishing vessel owners who base their operations out of Homer during the course of a year and who are likewise experiencing financial loss related to the COVID-19 pandemic. Port and Harbor admin staff worked with the City Manager's office and the Mayor to develop FERG and qualifying criteria to provide economic relief to this essential segment of Homer's economy: Homer-based commercial fishing vessels.

After reviewing the Borough's Commercial Fish Relief Program standards, and meeting with industry leaders, staff wrote the included baseline standards:

- Applicant must provide proof of ownership for a named commercial fishing vessel (US Coast Guard Documentation OR current Alaska Division of Motor Vehicles registration.
- Alaska Division of Fish and Game commercial fishing registration.
- Applicant must be a commercial fishing vessel that is currently active in catching fish, by either submitting a fish ticket that shows that the vessel had a fish delivery in the qualifying year or, as in the case of a fishing tender vessel, show proof of a contract with a fish buyer/processor for 2020.
- Applicant's vessel must show proof of having moored in the Homer Harbor or that the vessel was in dry storage in one of the Homer area boat yards at some time between January 1, 2020 and September 30, 2020

- Applicant must be an Alaskan resident with a primary residence on the Kenai Peninsula (PFD or voter registration proof).
- Applicant must certify that they have not already received CARES Act relief funding or other government assistance for the same expenses claimed in the FERG application.
- A business may only apply one time for this grant.
- One grant per commercial fishing vessel owner.

Commercial fishing vessel owners will be required to meet these benchmarks in order to qualify for funding through this program. FERG is intended for commercial fishing vessel owners who live in our local community on the Kenai Peninsula. Port and Harbor staff looked at the eligibility criteria and estimate that this program could reach as many as 450 active commercial fishing vessels who used the City's harbor system during the 2020 qualifying year,.

I believe that Cares Act dollars injected into the local commercial fishing fleet in order to help them respond to the economic hardship caused by the pandemic will help stabilize a portion of our local economy that Homer depends on year after year. It's been my experience that a commercial vessel owner, on average, will spend approximately 10% of the value of their vessel in maintenance each year on the vessel to keep it competitive and safe. These vessel maintenance dollars are what helps our community get through the winter on the off tourist season. The financial impacts caused by COVID-19 may make a commercial fishing vessel owner defer maintenance and other necessary tasks to the upcoming year, so it's for that reason that I see this FERG program as beneficial to the City of Homer's economic recovery from the COVID-19 public health emergency.

Recommendation

I would like to thank the Mayor and Council for their continued work in getting us through this crisis and for supporting the commercial fishing industry's response to COVID-19 through this important relief program.

Fiscal Note

Unexpended Small Business Economic Relief Grant (SBERG) program funds from the State CARES Act grant to the City at \$1,932,000 are proposed to fund this program. The SBERG2 \$2 million allocation is proposed to come out of Kenai Peninsula Borough CARES Act grant funds (\$1,775,953.96) and the State Cares Act grant (\$224,046.04).