



## City of Homer

[www.cityofhomer-ak.gov](http://www.cityofhomer-ak.gov)

## Office of the Mayor

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November 6, 2023

**SENT VIA ELECTRONIC MAIL ONLY**

Honorable Mike Dunleavy, Governor of Alaska  
Office of the Governor  
P.O. Box 110001  
Juneau, AK 99811-0001

RE: City of Homer FY25 Budget Request for Additional State of Alaska Match Funds for the Homer Harbor Expansion General Investigation

Dear Governor Dunleavy,

Please accept this letter as a formal capital budget request from the City of Homer for \$288,523 in additional match funds to support the US Army Corps of Engineers (USACE) General Investigation (GI) study for the Homer Harbor Expansion.

The City and the USACE initiated the study in March 2023. The study was originally budgeted at \$3M with costs shared 50 percent Federal, 25 percent City of Homer and 25 percent State of Alaska via a FY23 Legislative Designated Grant. Upon reaching the study's Alternatives & Measures Milestone, and reviewing the existing geotechnical data for the area, the USACE Project Development Team identified the need for additional geotechnical analysis and a ship simulation at an additional cost of \$1,154,093.

Geotechnical analysis is a necessary component of all USACE harbor designs. It was determined to be necessary to add this analysis to the GI study stage so that the PDT would have sufficient data to:

- Better inform the materials, design, and location of the preferred alternative;
- Produce a more accurate design and more reliable cost estimate on which to base decisions regarding advancement of the Homer Harbor Expansion.

The expanded geotechnical analysis is also driven by recent USACE Alaska District experiences with projects in Valdez and Kake that did not complete sufficient geotechnical analysis during the GI phase and experienced 26 percent cost increases for breakwater projects in Project Engineering and Design Phase of those projects.

Ship simulation is required for harbor designs that will accommodate ships 100 feet in length or greater. The Homer Harbor Expansion is targeted at moorage for vessels this size and larger.

The modifications to the study will add \$1,154,093 to study's original \$3M budget and will require additional match funds of \$577,047 from local sponsors. The Homer City Council will be introducing legislation to appropriate half of the local match, and requests that the State of Alaska provide the remainder.

Thank you, Governor, for you past support and continued partnership in creating a regionally significant maritime asset for Alaska and the nation.

Sincerely,

Ken Castner, Mayor, City of Homer