



MEMORANDUM

Ordinance 24-05, An Ordinance of the City Council of Homer, Alaska, Amending the FY24 and 25 Capital Budget By Appropriating Funds in the Amount of \$288,524 From the Port and Harbor Match Reserves to Meet the City's Increased Local Match Requirement for the Homer Harbor Expansion General Investigation Being Conducted in Partnership with the Army Corps of Engineers and the State of Alaska. Lord/Hansen.

Item Type: Backup Memorandum
Prepared For: Mayor Castner and Homer City Council
Date: 2JAN24
From: Councilmembers Hansen and Lord

The Homer Harbor Expansion General Investigation (GI) was initiated in 2023 and later that year the US Army Corps of Engineers (USACE) communicated to the City that the initial cost for the GI had increased to \$4,154,093 resulting in a need for the City to appropriate an additional \$288,524. Council, the Port and Harbor Commission, and staff have worked together to identify a path forward for funding, and in November 2023 the Council unanimously approved Resolution 21-130 which stated intent to appropriate the City's match for the increased cost of the GI.

The GI was originally priced at \$3 million, however, the USACE decided that we would need to add geotechnical analysis and a ship simulation at a cost of \$1,154,093 to complete a comprehensive report that would lead to a reasonably accurate cost estimate. The City split the cost of the original \$3 million three ways: \$750,000 City of Homer, \$750,000 State of Alaska, \$1.5 million USACE. For the new cost, we are proposing a split of similar proportions which results in a need for \$288,524 from the Port and Harbor Match Reserves. The City will lobby the State for a matching amount from the State Legislature, and USACE intends to cover the remaining funds through future federal budgets.

RECOMMENDATION: Adopt Ordinance 24-05