



MEMORANDUM

Response to Resolution 24-048, A Resolution of the City Council of Homer, Alaska, Providing Direction to the Port and Harbor Advisory Commission and the Economic Development Advisory Commission Regarding Cruise Ships in Homer

Item Type: Informational Memorandum
Prepared For: Mayor Castner and City Council
Date: October 14, 2024
From: Julie Engebretsen, Community Development Director
Through: Melissa Jacobsen, City Manager

Background

Council adopted Resolution 24-048, regarding cruise ships. The resolution included specific tasks for the Port and Harbor Commission and the Economic Development Advisory Commission (EDC). Both Commissions discussed the topic over several meetings and have provided memos to Council with their responses. These responses are attached, and staff will be available during the meeting for any questions.

Attachments

Resolution 24-048 with backup
EDC Memo to Council
Port and Harbor Commission Memo to Council

**CITY OF HOMER
HOMER, ALASKA**

Erickson/Lord

RESOLUTION 24-048

A RESOLUTION OF THE CITY COUNCIL OF HOMER, ALASKA,
REQUESTING THE PORT AND HARBOR ADVISORY COMMISSION
DISCUSS AND CONSIDER CRUISE SHIP CAPACITY AND POLICY
ADOPTION FOR THE PORT AND HARBOR OPERATIONS AND THE
ECONOMIC DEVELOPMENT ADVISORY COMMISSION DISCUSS
AND CONSIDER BROADER COMMUNITY EFFECTS AND POTENTIAL
CITY CRUISE SHIP POLICIES.

WHEREAS, The City of Homer has been a port of call for numerous cruise ships over the years; and

WHEREAS, The City should expect continued interest in cruise ship calls in the coming years; and

WHEREAS, The City's Deep Water Dock can accommodate cruise ships up to certain sizes, but larger ships cannot dock there and must anchor out and tender, or lighter, passengers to harbor floats to disembark; and

WHEREAS, The City operates the Port and Harbor under written policies that may not fully encompass the considerations for cruise ships, especially larger vessels that have to lighter passengers; and

WHEREAS, In addition to effects on the City, large cruise ships also influence the business community and the community-at-large; and

WHEREAS, Cities around Alaska and the country have addressed cruise ship tourism through the implementation of different policies.

NOW, THEREFORE BE IT RESOLVED, Port and Harbor staff will engage the Port and Harbor Advisory Commission (PHC) in discussion around cruise ship calls to the Port, including:

- The capacity of our current docks for different size classes of large vessels;
- Passenger lightering considerations, including moorage and safety;
- What responsibilities and potential liabilities the Port and Harbor has for accepting cruise ships of any size, including what amenities we advertise as available as a City for cruise ship companies looking to make a call at our public Port;
- What the emergency response plan is for potential tsunami evacuation;
- What are the costs and impacts of cruise ship landings on our HVFD and HPD staff;

- What increased staffing considerations are made by Harbor operations staff to address additional trash and restroom cleaning needs;
- What criteria are used currently for deciding capacity to accept a cruise ship, including when there is passenger lightering required, and are those criteria adequate;
- How this topic will be integrated into the Comprehensive Plan;
- Revenue and expense considerations surrounding cruise ship business at the Port;
- The broad legal landscape of local policies around the cruise ship industry.

BE IT FURTHER RESOLVED, The Economic Development Advisory Commission (EDC) should develop an understanding of City/Municipal cruise ship policies from other communities, and engage in a conversation with the Chamber of Commerce and other stakeholders about the effects of the Cruise Ship industry on the local businesses and the community to help inform any potential City policy development.

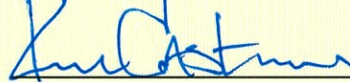
BE IT FURTHER RESOLVED, Both the EDC and the PHC will provide reports back to the City Council with summaries of their conversations, noting where further discussion may be needed, and any immediate policy recommendations by:

Port and Harbor Advisory Commission: July 22, 2024 Council Meeting

Economic Development Advisory Commission: September 23, 2024 Council Meeting


PASSED AND ADOPTED by the Homer City Council this 22nd day of April, 2024.

CITY OF HOMER



KEN CASTNER, MAYOR

ATTEST:



RENEE KRAUSE, MMC, ACTING CITY CLERK

Fiscal Note: NA





MEMORANDUM

Resolution 24-048, A Resolution of the City Council of Homer, Alaska, Providing Direction to the Port and Harbor Advisory Commission and the Economic Development Advisory Commission Regarding Cruise Ships in Homer

Item Type: Backup Memorandum
Prepared For: Mayor Castner and Homer City Council
Date: April 22, 2024
From: Council Members Erickson and Lord

The 2024 cruise ship season is quickly approaching, and with it will come a large ship to Homer that cannot tie up to our deep water dock. Other cruise ships had requested coming to Harbor earlier in the season, and they were told we do not have the operational capacity to safely accommodate them. This has highlighted a number of issues that the Port & Harbor Advisory Commission (PHC) can consider, and additional broader issues that the City should better understand when considering any policy making from the business and overall community.

There is potential for additional cruise ships, including larger cruise ships, to have interest in docking in Homer in the future. As itineraries are developed early, it is prudent for the City to understand our infrastructure and staffing capacity, and the community to broadly understand their interest and appetite for cruise ships sooner rather than later. We understand the turnaround time on these requests to the PHC and the Economic Development Advisory Commission (EDC) may feel tight, but we'd encourage the Commissions to engage in this dialogue and provide a summary of what they are able to cover - including where more time and information may be needed, and/or any immediate policy recommendations for the Council to consider.

To facilitate a dialogue, we are asking the Port and Harbor Advisory Commission to engage in this topic with staff to understand:

- The capacity of our current docks for different size classes of large vessels
- Passenger lightering considerations, including moorage and safety
- What responsibilities and potential liabilities the Port and Harbor has for accepting cruise ships of any size, including what amenities we share with companies requesting these services
- What the emergency response plan is for potential tsunami evacuation

- What are the costs and effects of cruise ship landings on our EMS and HPD staff
- What increased staffing considerations are made by Harbor operations staff to address additional trash and restroom cleaning needs
- What criteria are used currently for deciding capacity to accept a cruise ship, including when there is passenger lightering required, and are those criteria adequate
- How this topic will be integrated into the Comprehensive Plan
- Revenue and expense considerations surrounding cruise ship business at the Port
- The broad legal landscape of local policies around the cruise ship industry

Additionally, we would like to encourage the Chamber of Commerce to engage with Homer-area businesses to better understand the limitations and opportunities within the private sector around cruise ship tourism in Homer. We believe this conversation needs to be integrated into the Comprehensive Plan process, and would like the Economic Development Advisory Commission to begin having conversations with stakeholders to better inform the City Council on policy options and the pros/cons of different City cruise ship policies.

For an interesting reference, look up Bar Harbor, Maine and their long-standing and recent municipal policies surrounding cruise ships. They see much higher passenger counts than Homer does, similar to Juneau and other Southeast communities, but news articles and documents from the Town of Bar Harbor are interesting to review.

The City and Borough of Juneau reached an agreement with CLIA (Cruise Lines International Association) to limit the number of ships to no more than five per day starting this year. An article in the Petersburg Pilot from January 2024 is titled: "*Wrangell assembly raises rates for lightering cruise passengers to shore.*" These are offered as references of conversations other municipalities have been having around cruise ship impact.



MEMORANDUM

Economic Development Advisory Commission Response to Resolution 24-048, A Resolution of the City Council of Homer, Alaska, Providing Direction to the Port and Harbor Advisory Commission and the Economic Development Advisory Commission Regarding Cruise Ships in Homer

Item Type: Informational Memorandum
Prepared For: Mayor Castner and City Council
Date: October 9, 2024
From: Julie Engebretsen, Community Development Director
Through: Melissa Jacobsen, City Manager

Background

Council adopted Resolution 24-048, regarding cruise ships. The resolution includes specific tasks for the Port and Harbor Commission and the Economic Development Advisory Commission (EDC). The EDC was tasked with the following:

BE IT FURTHER RESOLVED, The Economic Development Advisory Commission (EDC) should develop an understanding of City/Municipal cruise ship policies from other communities, and engage in a conversation with the Chamber of Commerce and other stakeholders about the effects of the Cruise Ship industry on the local businesses and the community to help inform any potential City policy development.

Project Research and Conversations

The EDC made observations during cruise ship visits over the summer, and chose to conduct a work session on September 10th to discuss the future of cruise ships in Homer. Fliers for the work session were posted around town, and the event was advertised on the City's main web page, social media, the Homer News, and the Chamber of Commerce weekly newsletter. Turnout for the work session was low, but the conversation was excellent. Bryan Hawkins, Port Director was also present. There was good discussion about what kind of experience visitors have when they come to Homer and that Homer attracts a significant amount of "independent travelers". Its these travelers that come for extended stays and not cruise ship passengers visiting for a few hours who make up the majority of our visitor industry. Most of these independent travelers are attracted to Homer because it is still small and quaint, and doesn't have the bombardment of the cruise ship industry overrunning the town. The EDC commissioners agreed they do not want to see harm to the experience that independent travelers have in Homer and on Kachemak Bay that could result from an increase in cruise ship traffic.

Staff also worked with the Chamber of Commerce to schedule a luncheon panel for September 12th. The panel consisted of Port Director Bryan Hawkins, Homer Tours/Councilmember Shelly Erickson, and Community Development Director Julie Engebretsen. The luncheon was well attended and the

audience had a lot of questions and made comments. The main points were that cruise ship passengers do bring in sales tax revenue, that a lot of cruise ships may negatively impact the 'Homer Brand' which primarily attracts independent travelers, and that cruise ship passengers have the option of taking land based motor coach tours which is another way they can experience Homer for longer periods of time. Growth in these overland visitors is likely coming to Homer and the community/city may need to be more aware of the needs of busses, such as the new bus loading and parking zones on the Spit this past summer.

The size of visiting cruise ships came up at both the EDC and Chamber events. Small ships, in the 300 passenger or under range are not a concern. They fit at City facilities and the impact of visitors is not very noticeable compared to the average congestion and number of visitors on a busy weekend on the Spit. Larger ships, over 800 passengers, and particularly those that are too large to berth at the Deep Water Dock are the most impactful to the community. Conversation further explored the idea that mid-week visits from large ships were preferable to weekend visits; the Spit is already busy on the weekends and additional cruise ship visitors may not be adding much to the local economy – local businesses are already at capacity. Mid-week visits could increase business for slower times in the community.

Another aspect of cruise ships the EDC considered were Tourism Management Plans. Staff researched and found many communities in Southeast Alaska have such plans, and that they are updated regularly. These plans are voluntary agreements between cruise lines, municipal governments and other tour operators on how and where tourism businesses will operate and how complaints will be handled. The most comprehensive plan is probably Juneau's; it specifies the hours of operation flightseeing operations, which city parks commercial tours can use, and a staffed complaint telephone number that residents can call to report problems. Should the number of cruise ships grow significantly in the future (more than two large ships per week, see Port and Harbor memo, with reference to Fire Chief comments), the City may want to consider creating a tourism management plan and how tourism related problems could be mitigated.

Summary:

Homer's visitor economy relies on independent travelers. Large cruise ships during busy weekends or more than two visit per week, could degrade the independent traveler experience. Pollution from large cruise ships should also be researched. Should large ships increase in the future, Homer may want to create a Tourism Management Plan, as this appears to be a tool several other Alaskan communities have found to be successful. This plan can also include a cost analysis of the potential financial impact of providing city services. The EDC recommends a threshold of eight ships during peak season as the trigger for the drafting of a Tourism Management Plan.



MEMORANDUM

Port & Harbor Advisory Commission Response to Resolution 24-048, A Resolution of the City Council of Homer, Alaska, Providing Direction to the Port and Harbor Advisory Commission and the Economic Development Advisory Commission Regarding Cruise Ships in Homer

Item Type: Informational Memorandum
Prepared For: Homer City Council & Mayor Castner
Date: July 30, 2024
From: Bryan Hawkins, Port Director
Through: Melissa Jacobsen, City Manager

In response to Resolution 24-048, the Port Commission and Port Staff have compiled the following information regarding cruise ship facilities, cruise ship landings, and potential impacts on the community of Homer. The Commission designated Commissioners Siekaniec and Friend to work with Port staff to research answers to the Council's questions, and the group met on several occasions to compile information and prepare a response to be approved by the commission. Both commissioners additionally participated in a debriefing meeting on Friday, June 28th.

What infrastructure is available?

Pioneer Dock

The specs for the Pioneer dock are included as an attachment for reference, however, the Pioneer Dock is not a viable location for scheduling cruise ship landings because of the priority given to ferries for the Alaska Marine Highway System. The Tustumena and other AMHS vessels have the right to land at the dock with only a few hours' notice, which means that changes to the ferry schedule could interfere with planned cruise ship landings. For that reason, we have developed the Deep Water Dock area as a cruise ship terminal.

Deep Water Dock

The Deep Water Dock can accommodate vessels up to 800' and 65,000 displacement tons—a ship must meet both of those limits to safely land at the dock. The Deep Water Dock area has been renovated in recent years with grant money from the State of Alaska for Emerging Cruise Ship Ports. Improvements included bathrooms, a walking trail around the perimeter of the harbor, guard facility, a covered area for waiting passengers, and adequate turnaround space for tour buses.

What are the criteria for whether a cruise ship have to transport passengers to shore via tender (aka "lighter") instead of using a dock?

Any ship that exceeds one or both of the berthing limits for a dock will not be permitted to use that dock, and will have to lighter passengers instead. A typical cruise ship lightering vessel can carry between 60-100 passengers at a time.

What do we consider when determining whether to approve a lightering request?

What is the level of vessel activity in the Harbor? What is the time of year? How many passengers are on board the vessel? Will we be able to provide a secure facility in compliance with our Facilities Security Plan without requesting special authorization from the USCG—which may or may not be approved?

What are the impacts of Cruise Ship Landings?

What increased staffing considerations are made by Harbor Operations Staff to address additional trash and restroom cleaning needs?

At this time the port will not be providing any additional staffing for our cruise ship landings as our job stays the same as long as we only schedule one ship at a time. Any additional staffing required for security will be contracted by and paid by the Ship.

Restroom cleaning is handled by Public Works. At present they do not provide additional staffing, but it could become necessary in certain areas with increased landing volumes, which would require scheduling and cost tracking by Public Works.

What is the emergency response plan is for potential tsunami evacuation:

If a Tsunami Warning is issued, Harbor staff will evacuate the spit and communicate with Cruise Ship personnel via VHF radio. The cruise ship will follow its EOP for a tsunami. Depending on the anticipated time of impact, cruise ship personnel may encourage passengers to board the vessel or to evacuate by land. Cruise ship passengers who are off the spit at the time the warning is issued will remain off the spit and the ship's agent will make arrangements to reunite those passengers with the vessel.

What are the costs and impacts of cruise ship landings on HVFD and HPD staff?

Fire Chief Kirko wrote "At this point I don't believe we will be impacted by the number of cruise ships docking in Homer. My previous experience with the cruise industry was while I was in Skagway which experienced a definite impact to EMS services. If we get ships weekly or greater I would then say it could be something we would be concerned about."

HPD/HVFD dispatch indicated that there have maybe been one or two EMS calls in the past 4 years related to cruise ship landings, and that the cruise ship landings aren't a factor in how HPD schedules their personnel.

What are the revenue and expense considerations surrounding cruise ship business at the Port?

In general, the function of a port is to facilitate commerce, and we try to do that with our cruise ship customers as we do with any other user group. There are some revenues to the Enterprise associated with a cruise ship landing, however, this dockage revenue is not a primary motivator. The impact on staffing costs is minimal because security is provided by a private firm. The Port may shift schedules to have additional personnel available for a cruise ship landing, but are not hiring staff to accommodate cruise ships.

Observations from June 28th landing

On the evening of June 28th Commissioners from PHC and EDC held a "hotwash" debrief meeting with Port staff, the port security contractor and land-based transportation contractor, and the Chamber of

Commerce staff and volunteers. The security team reported that approximately 1200 passengers came ashore, both crew and guests. No security issues were noted. Recall that this setup was a special modification to the Facility Security Plan for the harbor and any future landings with this configuration would need to be approved on a case-by-case basis by the US Coast Guard.

More than 700 of the 1800 guests on this voyage (38%) were over 70 years of age, which is typical of ships in this size class because the voyages are often many weeks long. Observers noted that mobility challenges for guests were complicated by mismatch between infrastructure and vessels. For example, the height of the life boats necessitated a large step down from lifeboats to floats with a step stool staged on the floats. Some guests needed assistance from two cruise ship personnel to walk up the ramps at all even during a moderately high tide, and others struggled to catch their breath upon reaching the top of the ramp. As guests returned to the harbor to board lightering vessels, the lower tide and steeper ramps continued to present challenges for accessibility. These vessels could accommodate approximately 70 passengers at a time. Hundreds of returning guests queuing up on harbor floats exceeded the design capacity of the facilities. Land-based transportation proved challenging on the 28th for reasons not directly related to the lightering decision, however, the challenges were doubled because the lightered passengers arrived at two locations in the harbor instead of just one.



Land-based tourism was relatively low for this point in the season on June 28th. It was not clear whether tourists consciously avoided a cruise ship day, or whether milder weather proved less of a draw than previous sunny weekends. The high number of passengers disembarking could have been an overwhelming amount if it had coincided with the traffic seen on the spit just a week before, instead it was not an overly busy day and shop owners reported that the traffic was welcome.

On the water, the lightering operations had a significant impact compared to a dock landing. Regular dock landings do not interfere with harbor traffic at all because both the Pioneer Dock and the Deep Water Dock are in open water outside of the harbor basin. In contrast, this landing had four lightering vessels making trips into the harbor at regular intervals all day, tenant boats agreed to relocate to create the landing areas, and guests increased the volume of pedestrian traffic on harbor floats. Any increase in the number of lightering vessels (to reduce the wait time for guests returning to the ship) would significantly contribute to traffic congestion on the water in the harbor.

Possible suggestions for a City position or policy on cruise ship landings

- Express a general position, such as “The City is interested in moderate growth of cruise ship activity” or “The City is looking to cooperate with cruise lines to encourage regular landings at the Deep Water Dock”
- No port calls from ships that exceed the capacity of the docks because of the safety concerns associated with high volume lightering operations. Smaller ships that are undersized for the dock would be permitted to lighter but those that exceed the capacity of the dock would not.
- Consider variable or increased dockage fees, or increase to the cruise ship fee assessed on top of dockage to cover indirect costs incurred by Port on landing days
- Consider a charge for the use of the camel fenders that facilitate landings at the docks to cover the staff time to deploy camels in the configuration needed for cruise ships
- No more than one cruise ship landing at any dock at one time to reduce impacts to the facility from overcrowding
- No more than one cruise ship making a port call (includes both dock landings and lightering) at one time without Port Director approval
- Limitations for lightering operations that ensures ships align with the existing provisions in the Port’s Facilities Security Plan
- Lightering operations are permitted at the discretion of the Port Director
- No more than 3 landings per calendar week because of the effect that greater volumes of landings would have on port operations and the potential impact to the demand for emergency services
- Reaffirm that the authority to make decisions on cruise ship port calls sits with the Port Director as defined in the Port of Homer Terminal Tariff

Other questions to address as a part of this discussion

What role does Harbor Expansion play in future cruise ship landings?

The focus of Harbor Expansion is to increase moorage capacity for boats in the 85-250' range and free up space in the small boat harbor for smaller boats. There are no plans for increased cruise ship capacity as a part of Harbor Expansion.

How will information about cruise ships be incorporated in to the comprehensive plan?

Per Agnew::Beck, information about cruise ships will be guided by the conversations about what the community values about growth, and what community members don't want to lose about the way Homer is now. It will be incorporated in many places—economic development, transportation, sustainability, resilience, and of course any spit-specific sections of the plan.

How much influence does the City have over future growth in cruise ship landings?

Unlike some other communities in Alaska, the facilities that cruise ships use to land in Homer are City-owned and City-managed. Landings are approved and coordinated by the City's Port Director. The City owns the tide lands around the Spit and within City limits (See attachment C), so any additional dock construction would be done in cooperation with the City. Cruise ship companies could still bring passengers to Homer via lightering to a private facility or transport them overland by bus from another port town.

How prepared is Homer for cruise ship landings?

The general consensus from observers of the June 28th landing is that the City is well-prepared for landings at the Deep Water Dock, and for lightering operations from smaller cruise ships with fewer passengers that are undersized for a Deep Water Dock landing due to high tidal fluctuations. Well-designed shore-side operations and land transportation were identified as a key component of successful landings that enable passengers to see everything that Homer has to offer, both on the Spit and up in town.

While emergency responders (Fire, EMS, Homer Police Department) did not express concerns about the cruise ship impacts on their operations, there is an opportunity to incorporate more information about cruise ship landings into a future rewrite of the Emergency Operations Plan for the City.

What do we need to consider in the big picture as we have this discussion?

The City must comply with all laws including the [Tonnage Clause](#) of the US Constitution and should consider the other uses of the Deep Water Dock, to ensure that we are allowing other industries to access the facility to move cargo, conduct crew changes, and do other business. The City has a robust visitor industry largely powered by independent travelers arriving by road or air, and would not want a growth in cruise ship landings to detract from the experience for the travelers we already receive. We also do not want to unreasonably impede economic development in any industry, including Cruise Ships.

CONVERSATIONS ON CRUISE SHIPS

What are your thoughts on future cruise ships visiting Homer?



EDC Worksession

Tuesday, September 10, 2024

4:30 pm

Regular Meeting to follow at 6:00 pm

**Cowles Council Chambers
Homer City Hall
491 East Pioneer Ave
Homer, AK 99603**

**The Economic Development
Advisory Commission is
hosting a worksession about
cruise ships and wants to
hear from you!**

**How do you see cruise ships
in Homer over the next two
years? Big ones? Little ones?
Many? A few?**

**Share your experiences on how cruise ships affect the Homer
economy and community.**

**For More Information Contact:
City of Homer Community Development Department
Phone: (907) 435-3119
Email: planning@ci.homer.ak.us**

