CC-25-133

MEMORANDUM

Resolution 25-048, A Resolution of the City Council of Homer, Alaska Authorizing the City Manager to Accept Loan Funds from the State of Alaska Department of Environmental Conservation Under its Alaska Clean Water Fund Program in an Amount Not to Exceed $324,000 to Finance the Ohlson Lane West Bunnell Avenue Water and Stormwater Drain Project. City Manager/Public Works Director.

Item Type: Backup Memorandum

Prepared For: City Council

Date: May 1, 2025

From: Daniel Kort, Public Works Director

Through: Melissa Jacobsen, City Manager

I. Issue: The purpose of this Memorandum is to request approval to allow the City Manager to accept loan funds from the Alaska Department of Environmental Conservation (ADEC) for the Ohlson Ln. and W. Bunnell Ave. Water and Storm Drain Project.

II. Background:

This project is to add storm drain, curb and gutter to Ohlson Ln. and W. Bunnell Ave. On April 14, 2025, Resolution 25-031 authorized the City Manager to negotiate and execute a contract with East Road Services, Inc. for the construction of the Improvement and a notice to proceed was issued on April 28, 2025.

Much of the Funding for this project is coming from a loan that the City applied for from the ADEC's State Revolving fund. The State Revolving Fund doesn't technically issue grants, but they can issue loans and then forgive a portion of the loan, which they call principal forgiveness. The loan for the Ohlson Ln. and W. Bunnell Ave. Water and Storm Drain Project has $324,000 in principal forgiveness attached. The rest of the project funding is coming from the HART Roads Fund.

Two resolutions are required before the City can fully execute a loan with the ADEC. First, a resolution is needed to apply for the loan. Resolution 23-068 authorized the City to apply for a loan for this project. Second a resolution is also needed to accept the loan funds. According to the City Attorney these can't be done in the same resolution.

RECOMMENDATIONS:
That the City Council authorizes the City Manager to accept loan funds from the ADEC under its Clean Water Fund Program in the amount of $324,000 for the Ohlson Ln. and W. Bunnell Water and Storm Drain Project and execute the appropriate documents.

Attachments:

Resolution 25-031

Resolution 23-068