



# MEMORANDUM

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**Resolution 25-080, A Resolution of the City Council of Homer, Alaska, Expressing Support for the Homer Port Coastal FREIGHT Project, Endorsing the City's Grant Application to the United States Department of Transportation Maritime Administration's FY2025 Port Infrastructure Development Program (PIDP) and Committing Local Match Funds. City Manager/Port Director.**

**Item Type:** Backup Memorandum  
**Prepared For:** Mayor Lord and City Council  
**Date:** September 4, 2025  
**From:** Jenny Carroll, Special Projects and Communications Coordinator  
**Through:** Melissa Jacobsen, City Manager

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The purpose of this Memorandum is to provide information regarding the need to adopt a Resolution to supercede Resolution 25-072 stating the City's commitment to the FY25 Federal Port Infrastructure Development Program (PIDP) grant application for the Homer Port Coastal FREIGHT project.

**Background:** A Resolution of support from the governing body is required for the PIDP application, which is due September 10, 2025. To meet this requirement, staff brought forward Resolution 25-072, which Council adopted on August 11, 2025. The Resolution states the City's commitment to the FY25 Federal Port Infrastructure Development Program grant application for the Homer Port Coastal FREIGHT project.

**Discussion:** During finalization of the PIDP grant application, staff discovered budget inconsistencies that affect the project cost and match requirement. The inconsistencies arose from how Denali Commission funds were integrated with the PIDP project budget and from the need to distinguish between total project funds and PIDP-specific funds.

Staff brings Resolution 25-080 forward to adjust the total project cost, PIDP request amount, and local match commitment to reflect the corrected budget calculations and align with the PIDP grant application. All corrections are contained in the Resolution clauses spanning lines 103-113.

**RECOMMENDATION:** Approve Resolution to express project support and match commitment for the Homer Port Coastal FREIGHT project FY2025 PIDP application.

**Attachment:** Memorandum CC-25-201



# MEMORANDUM

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**Resolution 25-072, A Resolution of the City Council of Homer, Alaska, Expressing Support for the Homer Port Coastal FREIGHT Project, Endorsing the City's Grant Application to the United States Department of Transportation Maritime Administration's FY2025 Port Infrastructure Development Program and Committing Local Match Funds. City Manager/Port Director.**

**Item Type:** Backup Memorandum  
**Prepared For:** Mayor and City Council  
**Date:** August 6, 2025  
**From:** Jenny Carroll, Special Projects and Communications Coordinator  
**Through:** Melissa Jacobsen, City Manager

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The purpose of this Memorandum is to provide information regarding the City's FY25 Federal Port Infrastructure Development Program grant application. A Resolution of support from the governing body is required to be included in the application, which is due September 10, 2025.

**Background:** With City Council support, the City applied to the FY24 PIDP for funds to assist with replacing Float Systems 1 and 4 in the Homer Port and Harbor. The FY24 application went to the US Department of Transportation Secretary's desk for final funding evaluation, but ultimately was not selected. In an application debrief with the Maritime Administration, we were encouraged to apply again. The main recommendations to improve the City's application were to reduce the project scope to come in with a small port request and enhance project readiness, both of which we have done.

City Council approved funds via Ordinance 25-09 and Task Orders via Resolutions 25-013 and 25-046 to prepare a 2025 PIDP application. The 2025 PIDP FREIGHT application reflects a reduced scope; it replaces 60-year old components in Float System 4, the harbor's oldest float system. A grant from the Denali Commission has allowed us to progress to 50% design (to date) and submit permit applications, for enhanced project readiness. The redesign will:

- Replace and lengthen connector float AAA to correct inadequate slip separation space, widen narrow fairways and slightly increase moorage capacity and flexibility;
- Replace gangways, corroded and undersized pilings to meet load demands on the systems and install new floats to correct low freeboard and wracking to reduce injury risk for port users; and
- Provide code-compliant water and electrical supply systems.

The total project cost estimate for construction is \$16,501,706 based on nearly 50% design completion. PIDP awards for small port projects are under \$11.25M. The City will request \$11,240,000 in MARAD PIDP grant funds, requiring a local match of \$5,261,706. This local match amount falls in the 32% quintile, indicating excellent competitiveness.

The plan to meet local match is bonding through the Alaska Municipal Bond Bank Authority. Annual bond payments will be funded from port and harbor revenues. The US Department of Transportation offers low-interest (1/2 market rate) Transportation Infrastructure Finance and Innovation Act (TIFIA) financing options for qualified transportation infrastructure projects. Staff has had meetings with TIFIA program staff and consultants and has determined that the FREIGHT project is eligible, if awarded.

**RECOMMENDATION:** Approve a Resolution of support and match commitment for the Homer Port Coastal FREIGHT project FY2025 PIDP application.