



MEMORANDUM

CC-26-149

Ordinance 26-40, A Ordinance of the City Council of Homer, Alaska, Approving the U.S. Coast Guard's Request to Abandon in Place and Transfer to the City of Homer the Cutter Support Building, Berth-Related Improvements, and Associated Improvements Related to Lease HSCG89-16-1-0084, and Authorizing the City Manager to Negotiate and Execute the Appropriate Documents

Item Type: Backup Memorandum
Prepared For: Mayor Lord and City Council
Date: July 28, 2026
From: Mark Bowman, Port Property Associate
Through: Melissa Jacobsen, City Manager

Background

The U.S. Coast Guard (USCG) has formally requested the City of Homer's consent to abandon in place improvements associated with the lease for the Coast Guard Cutter Support Building, which is set to expire on August 31, 2026. The request follows the decommissioning of the CGC Naushon and the USCG's internal divestiture process for assets associated with Lease HSCG89-16-1-0084.

Analysis

City staff inspected the Cutter Support Building and associated improvements on August 28, 2025. The building was found to be structurally sound and generally in good condition, but not turnkey. Necessary work includes roof and exterior maintenance, interior repairs, flooring and ceiling replacement, painting, boiler and mechanical system evaluation, electrical fixture and lighting upgrades, site improvements, and possible removal of the double-walled fuel tank if the boiler is converted to natural gas. Cost estimates have not yet been finalized.

City and Port and Harbor Advisory Commission Response

Staff recommend approving abandonment in place and transfer to the City for the core Cutter Support Building, hazmat storage, paint locker, perimeter fencing, sidewalks, parking area, miscellaneous equipment pads, and primary electrical distribution systems. The City previously requested removal of utility lines and dock-specific infrastructure that were dedicated to CGC Naushon and cannot be repurposed for general use, including sewer, water, communication, and electrical service to the dock. The USCG has requested reconsideration of those items in exchange for abandonment of the Cutter Support Building and related assets. If the City does not accept the proposal, the USCG has indicated that

obtaining funding and approvals for removal or modifications would likely delay action by approximately one year.

At its June 24, 2026 meeting, the Port and Harbor Advisory Commission discussed the U.S. Coast Guard's request regarding abandonment of the Cutter Support Building and associated improvements to the City, including the building under consideration. The Commission unanimously recommended that City Council accept the Cutter Support Building.

Recommendation:

Adopt Ordinance 26-40

Attachments:

- Page excerpt from June 24, 2026, Port and Harbor Advisory Commission.
- Lease HSCG89-16-1-0084 Section 10.a.2).

Commissioners discussed the staff memorandum requesting support for changes to the lease with the US Coast Guard.

HAGGERTY/DUDA MOVED TO RECOMMEND TO CITY COUNCIL THAT THEY ADOPT THE LEASE AS NEGOTIATED BY THE CITY MANAGER.

There was no discussion.

VOTE. NON-OBJECTION. UNANIMOUS CONSENT.

Motion carried.

D. U.S. Coast Guard Request – Cutter Support Building, Berth and Improvements

Commissioners identified which building was under consideration and discussed the building's condition and whether the City has a plan for the use of the building.

HAGGERTY/DUDA MOVED TO RECOMMEND TO CITY COUNCIL THAT THEY ACCEPT THE CUTTER SUPPORT BUILDING.

Commissioner Duda said he is curious if the harbor or the City has plans to develop the East side of the spit. Deputy Harbormaster Glidden clarified that there are no plans at this time.

VOTE. NON-OBJECTION. UNANIMOUS CONSENT.

Motion carried.

INFORMATIONAL MATERIALS

A. City Managers Reports

Commissioner Bradshaw requested to see financial updates for the Harbor. Commissioner Siekaniec noted that financial planning will be a topic at upcoming meetings as well.

B. Engineers cost Estimate

C. HHE Quarterly Report

D. PHAC City Council HHE Report

E. Commissioner update

F. PHAC Commissioners Update

COMMENTS OF THE AUDIENCE (3 minute time limit)

COMMENTS OF THE CITY STAFF

COMMENTS OF THE COMMISSION

Commissioner Bradshaw thanked the commission for a short and sweet meeting.

Commissioner Haggerty commented on congestion in the harbor. He noted that water taxi operators now pay a barge ramp fee which offers clientele a place to park on the other side of the harbor. There are fishing boats that tie up in the yellow zone at the bottom of ramp 2. He can foresee that it will get difficult to have the

Lease HSCG89-16-1-0084 Section 10.a.2).

"10. DISPOSITION OF IMPROVEMENTS:

a. Improvements made upon the Premises by the Government shall upon the expiration, termination or cancellation of this Lease or of any renewal term thereof:

2.) with the consent of the Lessor and upon thirty (30) days advance notice to the Lessor in writing, be abandoned in place, in which case the property will become the property of the Lessor, and the Government will be relieved of any liability in connection therewith. "