



MEMORANDUM

Ordinance 26-40, an 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, Homer Spit Four Sub Lot 2, and Authorizing the City Manager to Negotiate and Execute the Appropriate Documents. City Manager/Port Director.

Item Type: Backup Memorandum
Prepared For: Mayor Lord and Homer City Council
Date: August 17, 2026
From: Melissa Jacobsen, City Manager

This memo is intended to address questions raised during the August 10, 2026, introduction of Ordinance 26-40.

According to Kenai Peninsula Borough (KPB) records, the United States Coast Guard (USCG) Cutter Building was constructed in 1998. City records show the building and property were issued full city permits, including Fire Marshal, in 1998.

The USCG staffed the building with support personnel for the USCG vessels in the Homer Harbor. Following the decommissioning of the USCG *Naushon*, the USCG contacted in May 2025 to express interest in abandoning the facility. Later in the year, they advised the City that they were reconsidering terminating the lease. Earlier this year, the USCG confirmed its intent to terminate the lease and abandon the improvements.

In researching the potential presence of polychlorinated biphenyls (PCBs) and asbestos in commercial properties, I found that the manufacture and most uses of PCBs were federally banned in 1979, and the use of asbestos in new construction declined significantly throughout the 1980s. As a result, it is unlikely that either material was used in the construction of this facility. In addition, there is no record of hazardous material incidents on the property on file for the term of the USCG lease. If desired, the City could hire a qualified contractor to conduct a Phase I Environmental Site Assessment (ESA) to further evaluate the property.

Following the initial notification in August 2025, Port and Public Works staff conducted a walkthrough of the building. Staff found the facility to be in good condition and identified several repairs and upgrades they believed would be necessary or appropriate for future use.

The current KPB assessed value of the property is \$183,300 for the land and \$635,400 for the improvements.

RECOMMENDATION: Adopt Ordinance 26-40.

ATTACHMENT:

August 2025 building walk-through report
Phase 1 ESA Quote

8/28/25 Inspection of Cutter Support Building and Improvements To Consider USCG's Likely Request of Approval to Abandon Them

Participants: Port Director, City Manager, Port Property Associate and Buildings & Maintenance Staff: Dave Welty, Russell Anderson & Patrick Houlihan. The group met at the USCG building to inspect the building and improvements to consider the USCG's anticipated request for approval to abandon the building and many of the improvements in place, and transfer ownership to the City.

Summary: the building is generally in good condition. It was solidly built and remains structurally sound. Most of the main building and other improvements have not been changed since they were originally constructed. City staff will make a recommendation to the City Council after obtaining a building appraisal, estimated cost of building maintenance, estimated cost of renovations needed and receiving confirmation that the US Coast Guard would like to transfer ownership of the building and additional improvements to the City.

Work that the City would need to do to be able to use the building and improvements:

- Roof - gulls have taken over. Some mitigation, as permitted by US Fish and Wildlife regulations, may help discourage nesting.
- Paint the building
- Repair broken concrete
- Replace ceiling tile
- Replace carpet with Luxury Vinyl Flooring (LVF) or similar
- Inspect boiler – possible replacement is required: Have it inspected by a certified person to determine an estimate of remaining life, recommendation to replace or tune-up. If the boiler needs to be replaced, a natural gas system would be the likely choice. The natural gas assessment is fully paid.
- Replace many of the electrical fixtures, especially lighting. Replace current lighting with LED lighting.
- Removal of double-walled fuel tank – if natural gas boiler is installed.
- Building security system – determine whether to remove or transfer the system to the City.

Building Use Possibilities:

- The facility could be used by up to two entities, based on size and building layout.
- RFP for Long - term lease(s) of the Property and structures.

- Lease the Land with the building as-is with any improvements to be made by the Lessee.
- Retain the facility for City use.

Action needed:

- Provide the USCG with a list of Improvements items the City would accept or request removal.
- Request Building & Maintenance Staff to assess the approximate cost of the necessary work.
- Consider the appraised value and rental potential of the property.

PROPOSED RESPONSE TO THE USCG

Request removal by USCG: This equipment was for dedicated use by the Naushon and cannot be repurposed for general use.

- 5152 Sewer Lines - to dock
- 5153 Water Lines - to dock
- 5154 Communication lines - to dock
- 5155 Electrical Pedestal on the dock

Approve abandonment of:

- 5158 Hazmat Storage
- 5159 Paint Locker
- 5160 Cutter Support Building
- 72523 Security gate – damaged, needs replacement
- 72524 Fence around perimeter
- 72541 Parking area - unsurfaced
- 72926 Sidewalks
- 812782 Misc. Equipment Pads
- 812783 Electrical Dist. System
- 812784 Elect Utility Floating Dock

Listed by USCG but found to be in duplicate or an error:

- 852766 Paint Locker (2019) – DUPLICATE of 5159 (above)
- 812785 Electrical Utility Shed on Floating Dock (City understands this to currently be City owned)

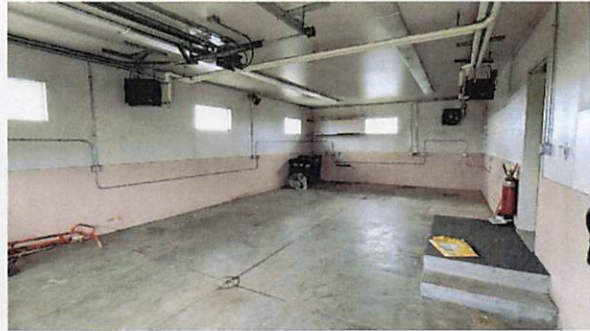
Items not listed by USCG:

- Washer and Dryer in laundry room – OK to abandon
- Kitchenette: Refrigerator, oven range, microwave – OK to abandon
- Double-walled fuel tank - OK to abandon – City will remove it if the boiler is switched to natural gas.

Photos:



USCG Cutter Support Building



Garage



Common area inside the entry



3/4 Bath

Report prepared 09/10/2025 by:

Mark Bowman, Port Property Associate



BGES, INC.
Providing Environmental and Geological Consulting Services

1042 East 6th Avenue
Anchorage, Alaska 99501
(907) 644-2900
www.BGESINC.com

August 13, 2026

Bryan Hawkins, Port Director
City of Homer
4311 Freight Dock Road
Homer, Alaska 99603

RE: PHASE I ENVIRONMENTAL SITE ASSESSMENT, 4373 FREIGHT DOCK ROAD, HOMER, ALASKA

Dear Mr. Hawkins:

BGES, Inc. (BGES) is pleased to present our proposal to you for providing a Phase I Environmental Site Assessment (ESA) for the above-reference property. BGES personnel have completed more than 1,000 similar assessment projects at many locations throughout Alaska. We have developed this proposal to provide this scope of work at the above-referenced property, in general conformance with American Society for Testing Materials (ASTM) E1527-21 guidelines and the local standard of practice.

SITE BACKGROUND

The property that is to be the subject of this Phase I ESA consists of a rectangular-shaped parcel located approximately 0.37 mile east of the intersection of Homer Spit Road and Freight Dock Road in the southeastern portion of Homer, Alaska. According to the Kenai Peninsula Borough (KPB) Property Information database, the property is approximately 0.32 acre in size and contains a 2,964-square foot office building that was constructed in 1998. The legal description of the subject property is listed as “T 6S & 7S R 13W SEC 36 & 1 SEWARD MERIDIAN HM 0920024 HOMER SPIT FOUR SUB LOT 2”. With this in mind, we have developed the following scope of work for this project.

PHASE I ESA SCOPE OF WORK

Our scope of work for the Phase I ESA includes research, a site reconnaissance, and preparation of a report summarizing our findings. During the research phase of our assessment, we will contact numerous entities that may have knowledge of current and/or former site conditions. This information is typically obtained from a subset of the following sources: The Alaska Department of Natural Resources Recorder’s office; the tax assessor’s office; the Alaska Department of Environmental Conservation (ADEC)’s Contaminated Sites, Spills, and Registered Underground Storage Tank (UST) databases; the US Environmental

Protection Agency's (USEPA) National Priorities List (NPL); the USEPA Enviromapper database; the Superfund Enterprise Management System (SEMS) database; the USEPA Corrective Action Detail Reports; the USEPA Region 10 Treatment, Storage, and Disposal facilities list; the USEPA Toxic Release Inventory System, Sanborn Fire Maps; the National Response Center; Polk City Directories; planning and zoning maps; water well surveys; the local electric companies; the local water and wastewater utility; the local natural gas utility; current and former site owners; neighboring property owners or occupants; and other persons knowledgeable about the property.

We will review historical aerial photographs depicting property conditions prior to, during, and/or after development, if applicable; and showing any other pertinent property details. The photographs will be described in a narrative format in the text, and up to two will be purchased and included as figures in the report. After this preliminary research is completed, we will mobilize to Homer and perform a site reconnaissance.

During this reconnaissance, our field personnel will look for visible evidence of USTs, aboveground storage tanks, drums and other containers, stained soils, stressed vegetation, site drainage patterns, and any other evidence of potential contamination. Photographs will be taken during the reconnaissance effort to document the property's condition observed at the time of our site visit and will be included in the report.

Upon completion of the above-described activities, we will prepare a written report of our findings. We will include an opinion of the potential for contamination on the subject property, both from potential on-site and off-site sources; and identify recognized environmental conditions with respect to the subject property, if any are observed. We will also provide recommendations for additional activities if warranted.

EXCLUSIONS & CONSIDERATIONS

The proposed scope of work does not include testing for soil vapor, radon, lead, asbestos, or any potentially hazardous substances. In addition, we have not included provisions for collecting soil or groundwater samples. These services can be performed concurrently or as follow-up activities to the Phase I ESA, as requested.

SCHEDULE & COSTS

BGES can provide our written report within approximately 5 to 6 weeks from receipt of notice to proceed. If a quicker completion time is required, we would be pleased to discuss this option with you. We will provide verbal results to you prior to our written report, should information regarding any concerns be

identified. BGES proposes to complete the Phase I ESA for a firm-fixed price of \$5,600. Our fixed fee for the Phase I ESA includes all activities through submittal of our final electronic report. If any travel delays are experienced that are outside the control of BGES, additional costs may be incurred. For cost-estimation purposes, we have assumed that unobstructed access to the subject property will be provided.

You may indicate your agreement with this proposal and our attached terms and conditions, and provide notice to proceed by signing and returning via email the authorization to proceed block below. We appreciate this opportunity to be of service, and we look forward to providing professional environmental consulting services to you.

Sincerely,

BGES, INC.



Rose Kayotuk
Senior Environmental Scientist II

Encl: BGES Standard Terms and Conditions

PROJECT AUTHORIZATION (26-070P-01):

I have reviewed, and I accept this proposal and the attached terms and conditions; and authorize the Phase I ESA at 4373 Freight Dock Road in Homer, Alaska to begin.

Signature of Authorized Representative

Title/Affiliation

Printed Name of Authorized Representative

Date

Additional Considerations (if any): _____

