



AGENDA ITEM REPORT

Resolution 23-026, A Resolution of the City Council of Homer, Alaska in Support of Entering into the US Army Corps of Engineers General Investigation Study for the New Large Vessel Harbor and Authorizing the City Manager to Negotiate and Execute the Appropriate Documents. City Manager.

Item Type:	Resolution
Prepared For:	Mayor Castner & Homer City Council
Meeting Date:	28 Mar 2023
Staff Contact:	Janette Keiser, PE, Public Works Director
Through:	Rob Dumouchel, City Manager

Overview

The Homer Large Vessel Port Expansion project, as proposed, is to construct a new large vessel port on the north side of Homer's existing Small Boat Harbor. A natural shelf in the area, Homer's central road and air connected location, renowned marine tradespeople and ice free conditions make it an ideal location. A Planning Assistance to States study completed in 2019 returned with a positive Cost to Benefit ratio which justified to the Army Corps of Engineers (USACE) that a further, more in depth, general investigation study was prudent for this viable project. They then made it their #1 new start project for Alaska on their next work plan and received authorization and funding for their portion of the project at the beginning of 2023. The City and State have also secured their portion of the local share (\$750,000 each).

The GI will provide all the economic, environmental, geophysical and engineering analysis necessary to develop a final cost to benefit ratio on a preferred design and launches the Preconstruction Design and Engineering phase. Below is a basic outline provided by the Army Corps of a general scope of work for USACE General Investigation Studies. Any or all of these might apply to Homer's own GI study but a detailed timeline/scope of work specific to our individual project will be provided in the starting phase of the study after it is initiated as part of the planning process:

FY23-24: Congress has authorized New Start GI and appropriated Study matching funds
FY24-FY26: Corps/Sponsor Conducts Feasibility Study

- (1) specify problems and opportunities associated with the federal objective and specific state and local concerns;

- (2) inventory, forecast and analyze existing and future conditions relevant to the identified problems and opportunities;
- (3) geophysical site testing;
- (4) assesses environmental impacts under NEPA (National Environmental Policy Act of 1969)
- (5) formulate alternative plans to address the problems and capitalize on the opportunities;
- (6) evaluate the economic, environmental and other effects of each alternative plan to produce BCA;
- (7) compare the alternative plans and their effects;
- (8) select a recommended plan;
- (9) Chief of Engineers issues Chief's report with recommendation on the project; and
- (10) USACE submits the completed Chief's reports to the congressional authorizing committees.

Current

With USACE project authorization, and all funding in place, the Army Corps are in the process of drafting/pulling together all the documents and contract for the City to enter into an agreement for the General Investigation. A draft copy of the agreement packet has been provided by the Corps and is currently under review by the City's law firm, JDOLaw. Resolution 23-026 is in preparation for the signing of the final reviewed document when completed.

Recommendation:

Adopt Resolution 23-026

Attachments:

Resolution 23-026

Capital Improvement Plan Port of Homer: New Large Vessel Harbor

1 **CITY OF HOMER**
2 **HOMER, ALASKA**

3 City Manager/
4 Port Director

5 **RESOLUTION 23-026**

6
7 A RESOLUTION OF THE CITY COUNCIL OF HOMER, ALASKA IN
8 SUPPORT OF ENTERING INTO THE US ARMY CORPS OF
9 ENGINEERS GENERAL INVESTIGATION STUDY FOR THE HOMER
10 PORT EXPANSION AND AUTHORIZING THE CITY MANAGER TO
11 NEGOTIATE AND EXECUTE THE APPROPRIATE DOCUMENTS.
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13 WHEREAS, The Port of Homer serves as a port of refuge and home port for large vessels
14 transiting the Gulf of Alaska, Cook Inlet and Kennedy Entrance and has seen a 42 percent
15 increase in large vessel traffic in the last 15 years, adding to the already significant
16 overcrowding of the small boat harbor; and
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18 WHEREAS, The City Council has identified the Homer Large Vessel Port Expansion as its
19 top priority Capital Improvement Project; and
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21 WHEREAS, The US Army Corps of Engineers (USACE) General Investigation study is
22 necessary to accomplish the Homer Large Vessel Port Expansion project, and significant efforts
23 have been made to secure funding and prepare contracts to move forward with the General
24 Investigation study; and
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26 WHEREAS, The General Investigation study will provide all the economic,
27 environmental, geophysical and engineering analysis necessary to develop a final cost to
28 benefit ratio on a preferred design and launches the Preconstruction Design and Engineering
29 phase; and
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31 WHEREAS, The cost of an Army Corps of Engineers General Investigation study is
32 capped at \$3 million, by policy must be completed within three years, and is the initial step to
33 justification of federal dollars for the construction portion of the Homer port expansion
34 project; and
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36 WHEREAS, The City and State local funds in the amount of \$750,000 each will match
37 \$1.5 million in Federal funds to complete the 3-year long GI [Ord 22-64, 23-01].
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39 NOW, THEREFORE, BE IT RESOLVED that the City Council of Homer, Alaska, supports
40 entering into the Army Corps of Engineers three year General Investigation study for the Homer
41 Large Vessel Port Expansion project and authorizes the City manager to negotiate and execute
42 the appropriate documents.
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44 PASSED AND ADOPTED by the Homer City Council this 28th day of March, 2023.

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ATTEST:

MELISSA JACOBSEN, MMC, CITY CLERK

Fiscal note: N/A

CITY OF HOMER

KEN CASTNER, MAYOR



1. Port of Homer: New Large Vessel Harbor

Project Description & Benefit: This project will construct a new multi-modal large vessel harbor to the north of Homer’s existing Port and Harbor. The new large vessel port will support economic development in Alaska by meeting demands of the marine industrial transportation sector and creating jobs. It also addresses navigational safety hazards and advances national security interests by accommodating the layover and repair needs of US Coast Guard ships deployed under the Arctic Security mission.

- Currently, large vessels are moored at System 4 and System 5 transient floats in Homer’s Small Boat Harbor. Due to shortage of moorage space, large vessels are rafted two and three abreast constricting passage lanes, creating navigational hazards and overstressing the harbor float system.
- The new facility will fill the unmet mooring needs of 60-100 large vessels that would home port in Alaska, yet have been turned away due to their overall size, draft, and simply lack the space. These large vessels work in the commercial fishing, oil and gas, research, marine transportation and cargo industries. Port expansion will capture an estimated \$3.5 million in economic activity Alaska loses annually due to lack of moorage space and create Alaskan jobs by an estimated \$2.75 annually. Over a 50-year period, the cost to Alaska’s economy of doing nothing carries a present day value of \$93 million.
- The project will also meet the US Coast Guard’s long-term mooring needs for the Arctic Security and Search & Rescue missions. The large vessel harbor will be built to USCG specifications for layover and repair of fast cutters and other assets deployed to the Arctic.

Centrally located in the Gulf of Alaska, Homer’s Port & Harbor is the region’s only ice-free gateway to Cook Inlet, the port of refuge for large vessels transiting the Gulf of Alaska, Cook Inlet, and Kennedy Entrance, and is the marine industrial and transportation system hub for central and Western Alaska.

Plans & Progress: The City, State of Alaska DOT, and Army Corps of Engineers (USACE) partnered on a feasibility study in 2007, which was put on hold because preliminary results indicated the project’s Benefit to Cost ratio would be non-competitive for Federal funding. High demand and favorable changes in cost drivers since then prompted the City and USACE to reexamine feasibility utilizing a Section 22 Planning Assistance to States Program grant in 2019. Positive results led the USACE to recommend resuming work on the General Investigation (GI).

Federal funds for the GI have been secured through an FY23 appropriation and the City and State of Alaska have committed the 50% local match required to initiate the three-year study. The GI is scheduled to begin in Federal FY23.

Estimated Project Cost:	\$303,000,000	
General Investigation:	\$ 3,000,000	(Federal funds and local match completed FY23)
Construction Estimate:	\$300,000,000	
FY2024 Federal Request:	\$195,000,000	
FY2024 State Request:	\$ 70,000,000	
City of Homer:	\$ 35,000,000	



Port expansion adds a new basin with its own entrance adjacent to the existing Small Boat Harbor. It will relieve large vessel congestion in the small boat harbor and will provide secure moorage compatible with the USCG’s assets .

