

**CITY OF HOMER
HOMER, ALASKA**

Lord/Hansen

RESOLUTION 23-130

A RESOLUTION OF THE CITY COUNCIL OF HOMER, ALASKA EXPRESSING SUPPORT FOR CONTINUATION OF THE HOMER HARBOR EXPANSION GENERAL INVESTIGATION BY AUTHORIZING THE CITY MANAGER TO SIGN AN UPDATED PROJECT MANAGEMENT PLAN WITH THE US ARMY CORPS OF ENGINEERS, AND STATING INTENT TO FUND 25% OF THE UPDATED GENERAL INVESTIGATION COST.

WHEREAS, Homer Harbor Expansion has been the City's highest ranked priority capital improvement project since 2004 to (1) meet moorage demand, (2) address overcrowding and associated navigational safety concerns and high maintenance costs, and (3) support regional, statewide and national marine transportation, the maritime economy and national security; and

WHEREAS, The Homer Harbor Expansion's General Investigation (GI) with the US Army Corps of Engineers (USACE) was successfully initiated in 2023; and

WHEREAS, The cost of the General Investigation Study was set per the USACE Project Management Plan (PMP) at \$3,000,000, as a shared partnership between the USACE, the State of Alaska, and the City (\$1.5 million federal/ \$750,000 State of AK/ \$750,000 City of Homer); and

WHEREAS, After reaching the Alternatives and Measures Milestone, the USACE project development team updated the PMP to include geotechnical and ship simulation data that would have historically been in the pre-construction engineering and design phase of project design, but USACE has found these to lead to significant cost overruns in the recent past and has determined that these cost overruns are avoidable and additional work is now required to complete the study with sufficient data to develop the most realistic benefit to cost ratio (BCA); and

WHEREAS, Based on a cost estimate provided by USACE, this additional work for the GI study phase comes with an additional cost of \$1,154,093 to be similarly shared between the Federal and Local partners; and

WHEREAS, The City is at a decision point to either concur with the PMP changes, or reject them, which would end the General Investigation and any further work on this project; and

WHEREAS, The City Council, with support from the Homer Port & Harbor Advisory Commission, wishes to continue to pursue the completion of the General Investigation which will require concurrence with the PMP and an additional \$577,046.50 in local sponsor match; and

45 WHEREAS, This project has demonstrated statewide importance and the Council is
46 seeking a continued 50/50 local cost share with the State of Alaska to fund the total additional
47 local match in the amount of \$577,046.50; and
48

49 WHEREAS, Following this Resolution, the City Council will next consider a funding
50 ordinance to appropriate half of the total additional local match in the amount of \$288,524
51 from the Port and Harbor Reserves Harbor Match Account to officially set aside the City's share
52 of the local sponsor match; and
53

54 WHEREAS, Signing the updated Project Management Plan does not immediately
55 obligate the City to pay the local match; and
56

57 WHEREAS, It is acknowledged that the City is in a unique circumstance with a gap in
58 Federal funding for federal fiscal year 2024 which will create a slowdown and delay the General
59 Investigation, and that the continuation of the GI and expenditure of funds on the GI is
60 dependent upon continued Federal funding; and
61

62 WHEREAS, The City Council believes it is prudent to continue to explore the options for
63 a harbor expansion to meet the needs of our overcrowded fleet and to improve safety among
64 other reasons previous stated; and
65

66 WHEREAS, The City Council is greatly appreciative of our Federal and State partners and
67 recognizes the success and continuation of this project lies in continued active partnership and
68 investment between all three, and that the City will be prudent and continue to assess its
69 relative risk and investment for the completion of the General Investigation.
70

71 NOW THEREFORE BE IT RESOLVED that the City Council of Homer, Alaska hereby:

- 72 1. Authorizes the City Manager to sign the revised Project Management Plan by
73 negotiating and executing the required documents with USACE.
- 74 2. Directs the Council sponsors for this project to prepare an Ordinance to appropriate the
75 sum of \$288,523.25 from Port and Harbor Reserves Matching Fund Account to fund 50%
76 of the required local sponsor match.
77

78 BE IT FURTHER RESOLVED that the City Council of Homer, Alaska recognizes the critical
79 importance of continued regional and statewide partnerships for the Homer Harbor Expansion
80 and:

- 81 1. Directs the Council sponsors for this project to prepare a Resolution supporting and
82 requesting additional match funding from the State of Alaska in the amount of
83 \$288,523.
- 84 2. Authorizes the Council sponsors to contact the Kenai Peninsula Borough requesting a
85 similar Resolution of support for additional State match funding from the Borough
86 Assembly.
87

88 PASSED AND ADOPTED by the Homer City Council this 27th day of November, 2023.

89
90
91
92
93
94
95

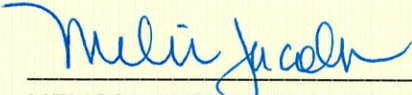
CITY OF HOMER



KEN CASTNER, MAYOR

96 ATTEST:

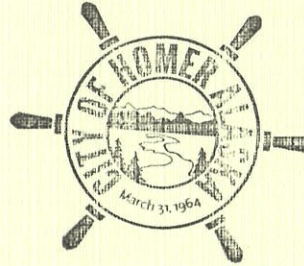
97
98
99



MELISSA JACOBSEN, MMC, CITY CLERK

100
101
102

Fiscal Note: N/A





MEMORANDUM

Resolution 23-130, A Resolution of the City Council of Homer, Alaska Expressing Support for Continuation of the Homer Harbor Expansion General Investigation by Authorizing the City Manager to Sign an Updated Project Management Plant with the US Army Corps of Engineers, and Stating Intent to Fund 25% of the Updated General Investigation Cost. Lord/Hansen.

Item Type: Backup Memorandum
Prepared For: City Council
Date: November 21, 2023
From: Council Members Lord and Hansen

We developed Resolution 23-130 based on the following:

- Project status updates from staff at the October 23, 2023 Committee of the Whole
- Feedback from Council at the October 23, 2023 Committee of the Whole
- Meeting with Rob and Jenny to further ask questions and understand the project status
- Feedback from the Port & Harbor Commission (PHC) via the minutes of their October 11, 2023 meeting
- Conversation with PHC Chair to confirm understanding of those minutes

A few key points for this Resolution:

- The Reso authorizes signing the updated Project Management Plan. The Project Management Plan (PMP) is not a funding document; it is a Project Plan. It lays out the expectations of what the project must entail. We need to have an up-to-date PMP in order to have a Project to keep funding.
- This Reso itself is also not a funding document, though it does state the intent to bring forward an Ordinance for funding half of the additional local match from the Enterprise Reserves. It also states intent to continuing working alongside our State partners for securing the other half of the additional local match.

The City, as the Local Sponsor, can pull out of this project at any point. We can't get a refund on money spent, but we are not obligated to spend funds set aside for the General Investigation if we decide to walk away. We agree it would be ideal to not have changes to the PMP at this point in time, and that we wish there was not a pause in federal funding. However, if we are going to continue with this project we should probably recognize the lengthy and sometimes circuitous routes that large federal projects typically take. We should also be keeping the City's best interest in mind, and making sure that we do not overextend efforts beyond our partners' ability to fund and keep apace – this was a concern echoed by the PHC Chair. To that end, alongside the ordinance referenced in this

resolution we will work with staff to bring forward a clearer picture of the timeline and expended + expected City expenditures.

At this point in time, we concur with the Port and Harbor Commission and continue to believe that the City has valid and strong reasoning to explore a harbor expansion through the continuation of the General Investigation process and as such recommend passing Resolution 23-130.

From: [Kate Mitchell](#)
To: [Department Clerk](#)
Subject: Harbor resolution WE support
Date: Monday, November 20, 2023 12:02:54 PM

CAUTION: This email originated from outside your organization. Exercise caution when opening attachments or clicking links, especially from unknown senders.

Benjamin G. and Katherine A Mitchell have lived and worked in Homer for 45 years. We have businesses in town and our home is in the borough. Because Homer had a dock and a boat harbor The Coast Guard chose Homer as the home port for the CGC Sedge. BMC Mitchell was assigned to that unit in 1978. Homer has been home ever since. Because there was a harbor there was a possibility of successfully starting two Marine-related businesses. Homer Boat Yard and NOMAR The harbor and the marine trades businesses have grown and the economic impact is obvious. We fully support the resolution to continue the study with the Corp of Engineers. The small sacrifices made now will bring Homer into a better economic position in the future as the regional port for Alaska's growth in the future. Had the Harbor been expanded 20 years ago when first proposed we would be reaping those benefits now.

From: renee@fortunesea.net
To: [Department Clerk](#)
Subject: Written comment November 27th City Council Regular Meeting
Date: Tuesday, November 21, 2023 10:21:22 AM

CAUTION: This email originated from outside your organization. Exercise caution when opening attachments or clicking links, especially from unknown senders.

Dear Mayor Castner and Council members,

I am writing in strong support of completing the General Investigation Study for the expansion of the Homer Harbor. I have raised a family in Homer tied to commercial fisheries and marine activities, and work managing ten tender/commercial fishing vessels along with marine haul out and repair. Our current harbor basin is already too small for the commercial, charter, governmental, and recreational vessels that utilize it with a large waiting list, along with the marine trades that support these industries & that provide livelihoods for a huge portion of our residents. Without moving forward with the General Investigation Study, the positive impacts of expansion will be lost to inaction. We as a city and community have invested so much time, effort and money in getting to this point, and to not carry it to the end would be a huge disservice to the community as a whole. In closing, I implore the City of Homer to invest in the completion of the General Investigation Study for the expansion of the Homer Harbor.

Sincerely,
Renee Alward
60082 Clarice Way
Homer, AK 99603
907-299-3358

Submission information

Form: [Submit Written Testimony to City Council](#) [1]
Submitted by Visitor (not verified)
Tue, 11/21/2023 - 12:34pm
162.142.119.13

First Name Malcolm

Last Name Milne

Email milnemarine@yahoo.com

Phone Number 9073996296

Are You A City or Non-City Resident? Non-City Resident

Which City Council Meeting do you want to participate in? Regular Meeting

Date of Meeting you want to participate in? Mon, 11/27

What type of comments will you be giving?

Public Comments Upon Matters Already on the Agenda - Citizen may comment on regular agenda items not scheduled for public hearing such as Consent Agenda items, Memorandums, Pending Business, New Business, Resolutions, and Ordinances to be introduced.

Written Testimony

RE: e. Resolution 23-1xx, A Resolution of the City Council of Homer, Alaska Regarding the Homer Harbor Expansion Additional Funding and Management Plan. City Manager.

Hello Homer City Council Members,

My name is Malcolm Milne and I have fished out of Homer since 1995. I currently own and operate the F/V Captain Cook through my business Milne Marine and we currently have a year round stall lease in the Homer Harbor. I currently live outside of city limits. The F/V Captain Cook longlines for halibut in the spring and fall and seines for salmon in Lower Cook Inlet in the summer. We employ 2 to 3 crew depending on the season. All of the vessel maintenance is done through local marine trades.

I strongly support the continuing the investigation into the Homer Port Expansion. At this point I do not see details of the resolution but I am definitely in favor of going forward in exploring the possibilities of a port expansion. In my opinion it's similar to owning an older vehicle. You know at

some point you'll need to replace or repair it and the prudent thing to do is explore options in advance rather than be forced into an unformed decision at a later point in time. It's hard to deny that Homer will continue to change as time goes on, the fact that Homer will have and need a harbor will probably not change. I hope this City Council will continue to explore what the future may hold.

Thank you for your attention.

Malcolm Milne

Electronic Signature

Malcolm Milne

I understand that checking this box constitutes a legal signature confirming that I acknowledge and agree that I am the person identified above and that I acknowledge and agree to the above Terms of Acceptance.

Source URL: <https://www.cityofhomer-ak.gov/node/60081/submission/51419>

Links

[1] <https://www.cityofhomer-ak.gov/cityclerk/submit-written-testimony-city-council>

Submission information

Form: [Submit Written Testimony to City Council](#) [1]
Submitted by Visitor (not verified)
Tue, 11/21/2023 - 1:32pm
65.74.107.122

First Name David

Last Name Mastolier

Email dmastolier@gmail.com

Phone Number 9073991775

Are You A City or Non-City Resident? City Resident

Which City Council Meeting do you want to participate in? Regular Meeting

Date of Meeting you want to participate in? Mon, 11/27

What type of comments will you be giving?

Public Comments Upon Matters Already on the Agenda - Citizen may comment on regular agenda items not scheduled for public hearing such as Consent Agenda items, Memorandums, Pending Business, New Business, Resolutions, and Ordinances to be introduced.

Written Testimony

November 21, 2023

Letter of Support for the resolution to support the continuation of the General Investigation study.

Dear Mayor Castner and Distinguished Council Members,

I am expressing my support for the resolution to support the continuation of the General Investigation study. My support is for the following:

- Signing the revised project management plan for the study,
- An Ordinance to appropriate additional City match funds.
- And a Resolution to the State of Alaska seeking their continued partnership through additional match funds.

The insights derived from this study carry profound significance for the advancement of Homer. The ability to effectively accommodate our city's inevitable growth through well-informed construction and development plans is of paramount importance. The study may reveal that the harbor expansion is not feasible or could present a more cost-effective estimate for the project's final cost. Irrespective of the outcome, the information gathered will stand as a crucial resource

for future expansion projects, equipping our city with the ability to make well-considered decisions rooted in sound scientific analysis. Thus far, the considerable investment in this project underscores the critical nature of surmounting the current financial obstacle.

Understanding the potential of our assets is essential for crafting a resilient business strategy. Without necessitating an immediate commitment to the expanded harbor, the feasibility study will provide us with the indispensable data needed to make the most informed decisions—a cornerstone of any sound business plan.

This study could aptly be named the "Homer's Potential for Growth" study. As a leader in our community, you shoulder the responsibility of making decisions that will reverberate throughout our area for generations. This data, grounded in scientific rigor, will empower you with informed, forward-thinking answers.

We have already invested a substantial amount of resources in this project. To halt before obtaining a definitive answer would prove costlier in the long run and could also convey a lack of commitment or follow-through on our part. Let us proudly demonstrate to the State, USACE, and the Federal Government that Homer fully supports the feasibility study. We earnestly seek solid scientific data to guide our decision-making processes.

Best regards,

David L Mastolier

Homer Resident and Business Owner

Electronic Signature

David Mastolier

I understand that checking this box constitutes a legal signature confirming that I acknowledge and agree that I am the person identified above and that I acknowledge and agree to the above Terms of Acceptance.

Source URL: <https://www.cityofhomer-ak.gov/node/60081/submission/51421>

Links

[1] <https://www.cityofhomer-ak.gov/cityclerk/submit-written-testimony-city-council>

From: [Ian Pitzman](#)
To: [Melissa Jacobsen](#)
Subject: Port Expansion funding resolution
Date: Monday, November 27, 2023 10:54:47 AM

CAUTION: This email originated from outside your organization. Exercise caution when opening attachments or clicking links, especially from unknown senders.

Mr. Mayor and members of the City Council,

I am writing to express my support for the council resolution regarding additional funding for the port expansion General Investigation study. As an operator of large vessels based in Homer we see the need for the proposed harbor expansion every day. It is now clear additional work is necessary for the study to move forward towards a decision and unfortunately, that this has resulted in a need for more local spending. I urge the council to continue to fund the study to its conclusion.

Ian Pitzman
Fortune Sea, LLC
907-299-1159
ian@fortunesea.net

From: [Homer Marine Trades](#)
To: [Department Clerk](#)
Subject: Written Testimony re: Resolution 23-130
Date: Sunday, November 26, 2023 7:07:37 AM

CAUTION: This email originated from outside your organization. Exercise caution when opening attachments or clicking links, especially from unknown senders.

Dear Homer City Council and Mayor Castner,

We write to you representing more than 100 Marine Trades businesses in the greater Kachemak Bay region to ask you to take the following action:

- 1) Approve the Army Corps of Engineer's amended Project Management Plan;
- 2) Approve the increased local match for the expansion study; and
- 3) Pass a resolution to request local match funds from the State of Alaska.

Homer has always been a resilient community because of our diverse economy. Let's not pass up the chance to grow our maritime industry and strengthen this crucial sector of the local workforce. The Federal process is rigorous, and considers impacts to the environment, to quality of life, and to businesses not only in Homer itself, but across all of Alaska. This is an opportunity to shape Homer's future for decades to come-- we cannot escape growth, but we can choose to be at the table and support growth across the many industries that help this community thrive.

Sincerely,
Aaron Fleenor
President, Homer Marine Trades Association