

**CITY OF HOMER
HOMER, ALASKA**

Lord/Hansen

ORDINANCE 24-05

AN ORDINANCE OF THE CITY COUNCIL OF HOMER, ALASKA AMENDING THE FY24 CAPITAL BUDGET BY APPROPRIATING FUNDS IN THE AMOUNT OF \$288,524 FROM THE PORT AND HARBOR MATCH RESERVES TO MEET THE CITY'S INCREASED LOCAL MATCH REQUIREMENT FOR THE HOMER HARBOR EXPANSION GENERAL INVESTIGATION BEING CONDUCTED IN PARTNERSHIP WITH THE ARMY CORPS OF ENGINEERS AND THE STATE OF ALASKA.

WHEREAS, Homer Harbor Expansion has been the City's highest ranking 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 under a \$3 million Federal Cost Share Agreement in which study costs are being shared fifty percent Federal/twenty-five percent City of Homer/twenty-five percent State sponsors; and

WHEREAS, Due to the USACE's required addition of geotechnical analysis and ship simulation to the scope of the GI, the original cost of the GI has increased by \$1,154,093 to be similarly shared between the Federal and Local partners; and

WHEREAS, Homer City Council Resolution 23-130 agreed to the revised GI scope and cost in the Project Management Plan, stating it is prudent to continue to explore options for a harbor expansion to relieve congestion and improve navigational safety within Homer's Port and Harbor; and

WHEREAS, Homer City Council is greatly appreciative of our Federal and State partners and recognizes that the success and continuation of this project lies in continued active partnership and investment between all three; and

WHEREAS, Consistent with the shared local match partnership, Homer City Council Resolution 23-130 additionally expressed the City of Homer's intent to appropriate funds in the amount of \$288,524 for fifty percent of the required local sponsor match and seek State matching funds for the remaining fifty percent.

44 NOW, THEREFORE, THE CITY OF HOMER ORDAINS:

45

46 Section 1. The Homer City Council hereby amends the FY24 Capital budget by
47 appropriating \$288,524 to meet the City’s increased local match requirement for the Homer
48 Harbor Expansion General Investigation being conducted in partnership with the US Army
49 Corps of Engineers and the State of Alaska as follows:

50

51 Transfer from:

<u>Fund</u>	<u>Description</u>	<u>Amount</u>
456-0389	Port and Harbor Match Reserves	\$288,524

54

55 Transfer to:

<u>Fund</u>	<u>Description</u>	<u>Amount</u>
415-0943	Homer Harbor Expansion General Investigation	\$288,524

58

59 Section 3. This ordinance is a budget amendment only, is not of a permanent nature
60 and is a non code ordinance.

61

62 ENACTED BY THE CITY COUNCIL OF HOMER, ALASKA this 22 day of January, 2024.

63

64

65

CITY OF HOMER

66

67

KEN CASTNER, MAYOR

68

69

70

71 ATTEST:

72

73

MELISSA JACOBSEN, MMC, CITY CLERK

74

75

76

77 YES: 6

77

78 NO: 0

78

79 ABSTAIN: 0

79

80 ABSENT: 0

80

81

82 First Reading: Jan 8, 2024

83 Public Hearing: Jan 22, 2024

84 Second Reading: Jan 22, 2024

85 Effective Date: Jan 23, 2024

85





MEMORANDUM

Ordinance 24-05, An Ordinance of the City Council of Homer, Alaska, Amending the FY24 and 25 Capital Budget By Appropriating Funds in the Amount of \$288,524 From the Port and Harbor Match Reserves to Meet the City's Increased Local Match Requirement for the Homer Harbor Expansion General Investigation Being Conducted in Partnership with the Army Corps of Engineers and the State of Alaska. Lord/Hansen.

Item Type: Backup Memorandum
Prepared For: Mayor Castner and Homer City Council
Date: 2JAN24
From: Councilmembers Hansen and Lord

The Homer Harbor Expansion General Investigation (GI) was initiated in 2023 and later that year the US Army Corps of Engineers (USACE) communicated to the City that the initial cost for the GI had increased to \$4,154,093 resulting in a need for the City to appropriate an additional \$288,524. Council, the Port and Harbor Commission, and staff have worked together to identify a path forward for funding, and in November 2023 the Council unanimously approved Resolution 21-130 which stated intent to appropriate the City's match for the increased cost of the GI.

The GI was originally priced at \$3 million, however, the USACE decided that we would need to add geotechnical analysis and a ship simulation at a cost of \$1,154,093 to complete a comprehensive report that would lead to a reasonably accurate cost estimate. The City split the cost of the original \$3 million three ways: \$750,000 City of Homer, \$750,000 State of Alaska, \$1.5 million USACE. For the new cost, we are proposing a split of similar proportions which results in a need for \$288,524 from the Port and Harbor Match Reserves. The City will lobby the State for a matching amount from the State Legislature, and USACE intends to cover the remaining funds through future federal budgets.

RECOMMENDATION: Adopt Ordinance 24-05

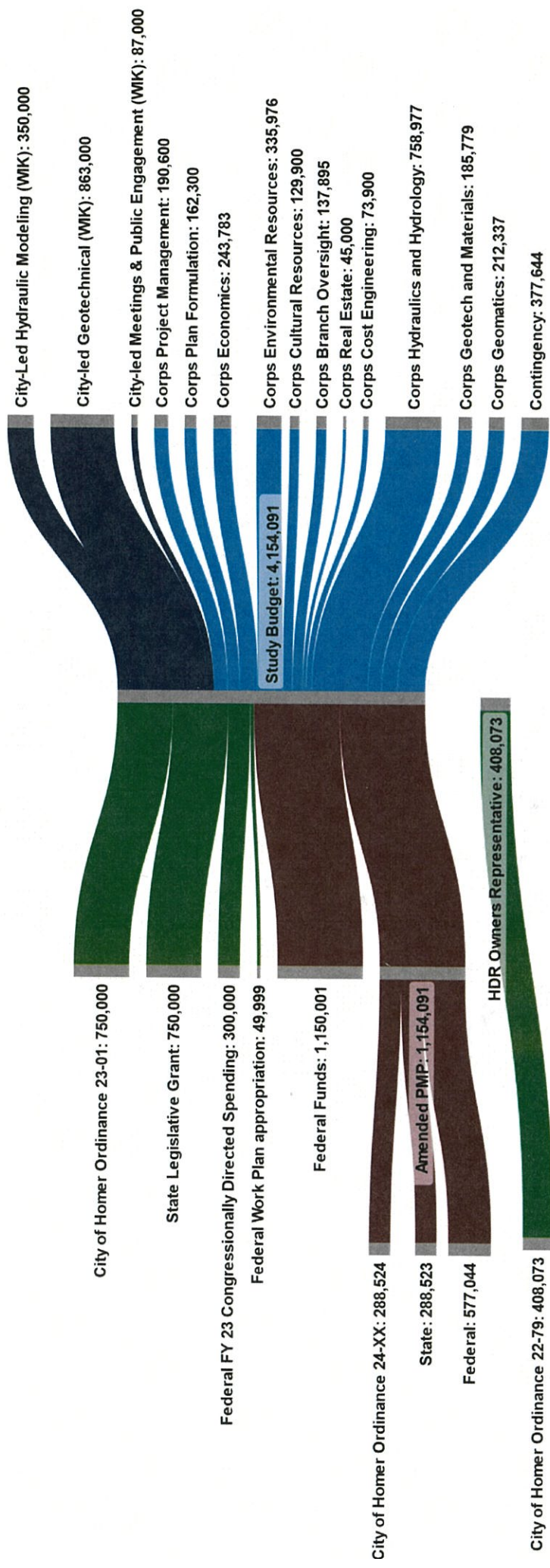
**CITY OF HOMER
FINANCIAL SUPPLEMENT**

PROJECT NAME	<u>Additional Match Funds - Homer Harbor Expansion General Investigation</u>	DATE	<u>01/03/2024</u>
DEPARTMENT	<u>Council</u>	SPONSOR	<u>Lord/Hansen</u>
REQUESTED AMOUNT	<u>\$ 288,524</u>		

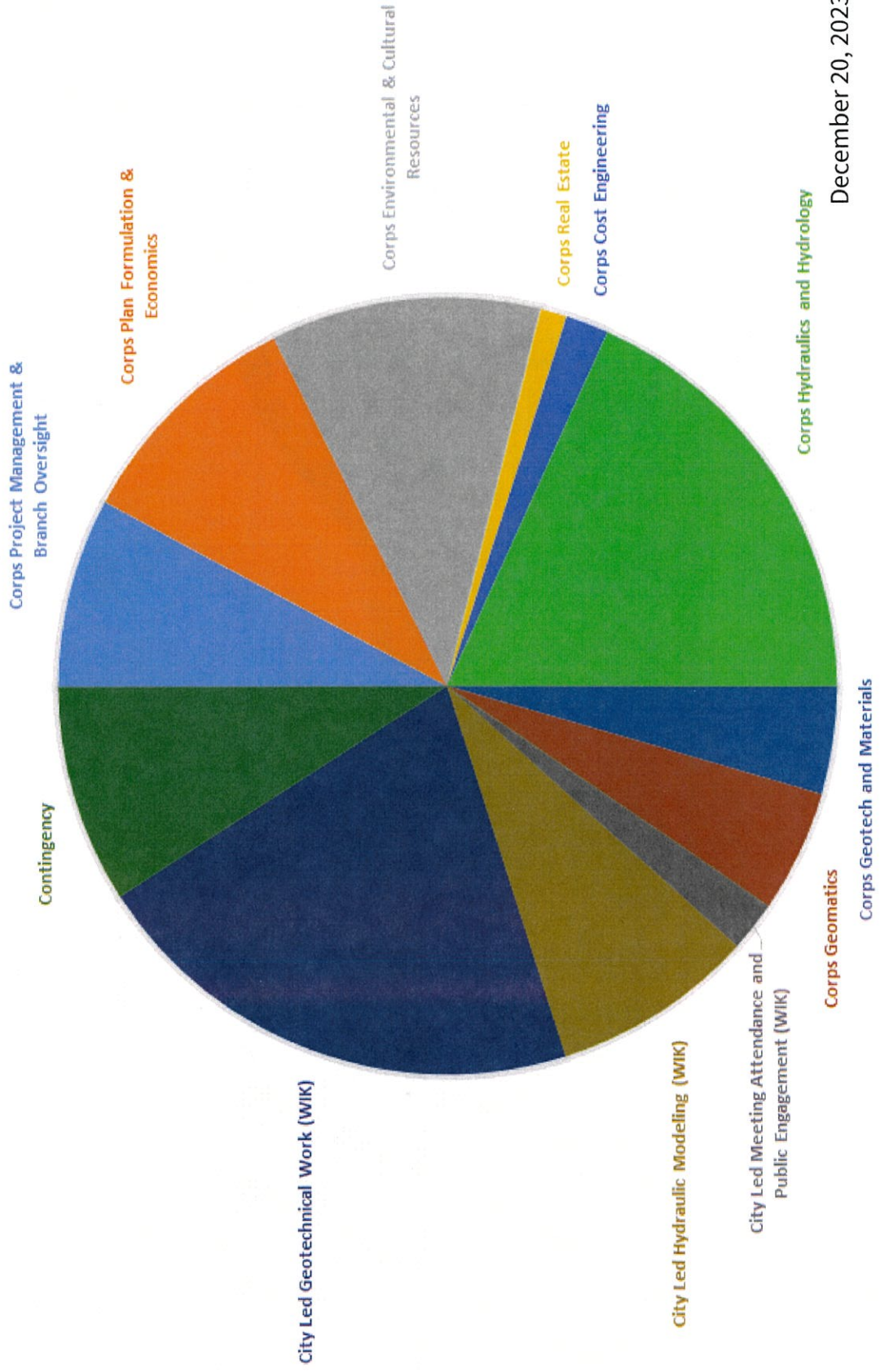
DESCRIPTION	<p>Homer Harbor Expansion has been the City's highest ranking priority Capital Improvement project since 2004 to (1) meet moorage demand, (2) address overcrowding and associated navigational safety concerns and high maintenance costs, and (3) support regional, statewide and national marine transportation, the maritime economy and national security.</p> <p>The Homer Harbor Expansion's General Investigation (GI) with the US Army Corps of Engineers (USACE) was successfully initiated in 2023 under a \$3 million Federal Cost Share Agreement in which study costs are being shared fifty percent Federal/twenty-five percent City of Homer/twenty-five percent State sponsors. Due to the USACE's required addition of geotechnical analysis and ship simulation to the scope of the GI, the original cost of the GI has increased by \$1,154,093 to be similarly shared between the Federal and Local partners.</p> <p>Homer City Council Resolution 23-130 agreed to the revised GI scope and cost in the Project Management Plan, stating it is prudent to continue to explore options for a harbor expansion to relieve congestion and improve navigational safety within Homer's Port and Harbor. Consistent with the shared local match partnership, Homer City Council Resolution 23-130 additionally expressed the City of Homer's intent to appropriate funds in the amount of \$288,524 for fifty percent of the required local sponsor match and seek State matching funds for the remaining fifty percent.</p>
--------------------	---

FUNDING SOURCE(S)	OPERATING	GF CARMA	GF FLEET CARMA	PORT MATCH RESERVES	WATER CARMA
	0%	0%	0%	100%	0%
	HAWSP	HART-ROADS	HART-TRAILS	PORT FLEET RESERVES	SEWER CARMA
	0%	0%	0%	0%	0%

FUNDING SOURCE 1: Port Match Reserves (456-0389)	FUNDING SOURCE 2:	FUNDING SOURCE 3:
Current Balance <u>\$ 1,493,675</u>	Current Balance _____	Current Balance _____
Encumbered <u>\$ 0</u>	Encumbered _____	Encumbered _____
Requested Amount <u>\$ 288,524</u>	Requested Amount _____	Requested Amount _____
Other Items on Current Agenda <u>\$ 0</u>	Other Items on Current Agenda _____	Other Items on Current Agenda _____
Remaining Balance <u>\$ 1,205,151</u>	Remaining Balance _____	Remaining Balance _____
FUNDING SOURCE 4:	FUNDING SOURCE 5:	FUNDING SOURCE 6:
Current Balance _____	Current Balance _____	Current Balance _____
Encumbered _____	Encumbered _____	Encumbered _____
Requested Amount _____	Requested Amount _____	Requested Amount _____
Remaining Balance _____	Remaining Balance _____	Remaining Balance _____

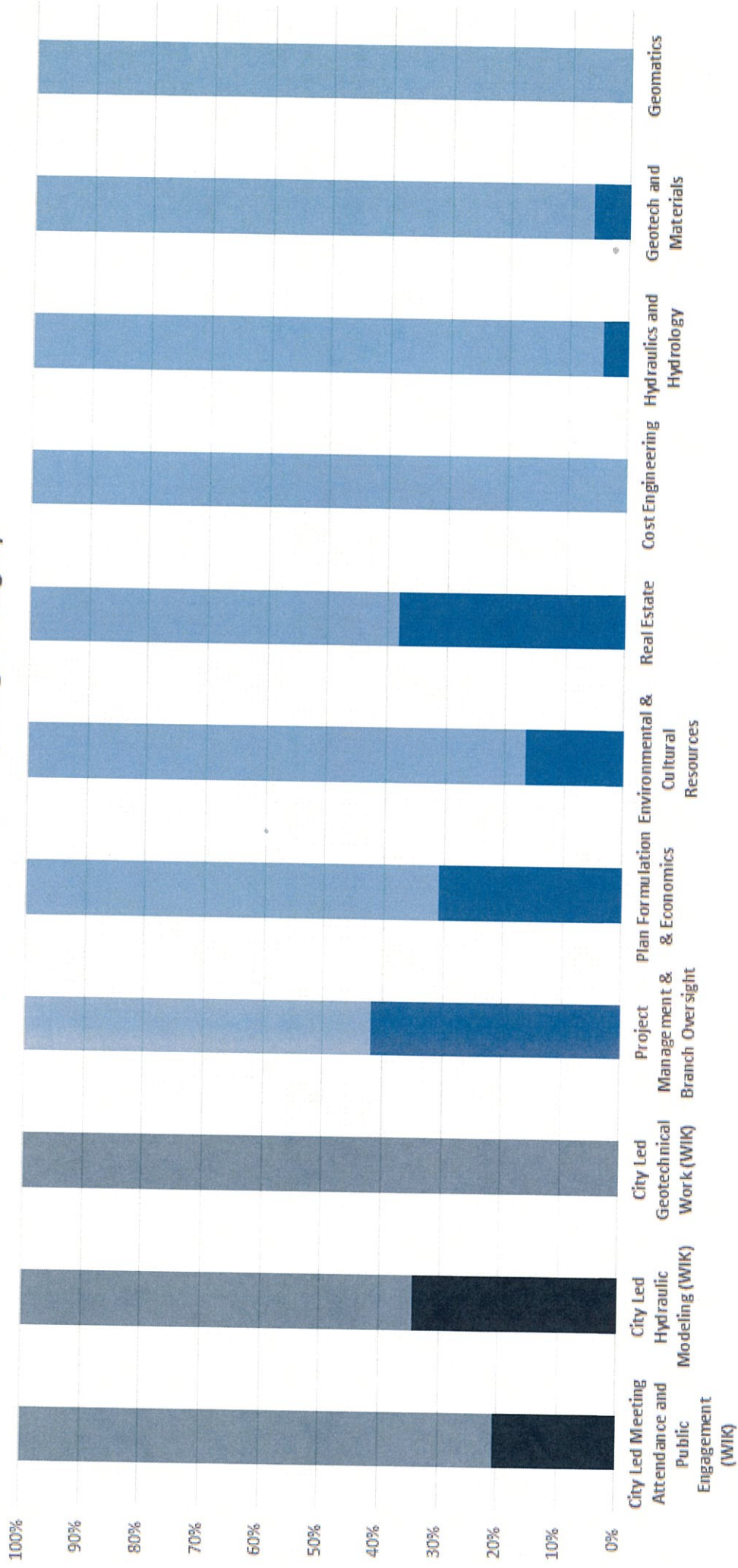


Study Budget



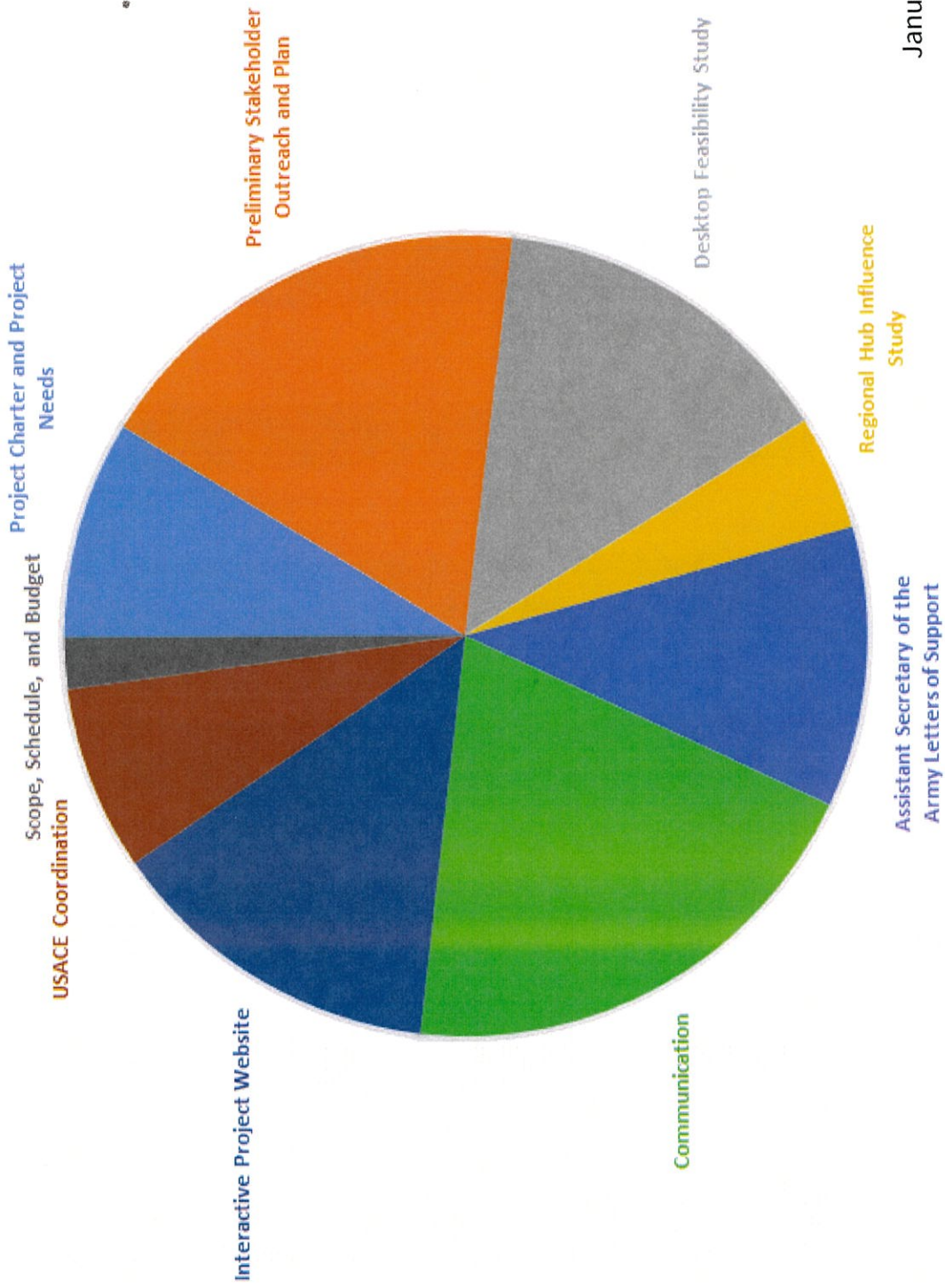
December 20, 2023

Spent to Date by Study Budget Category



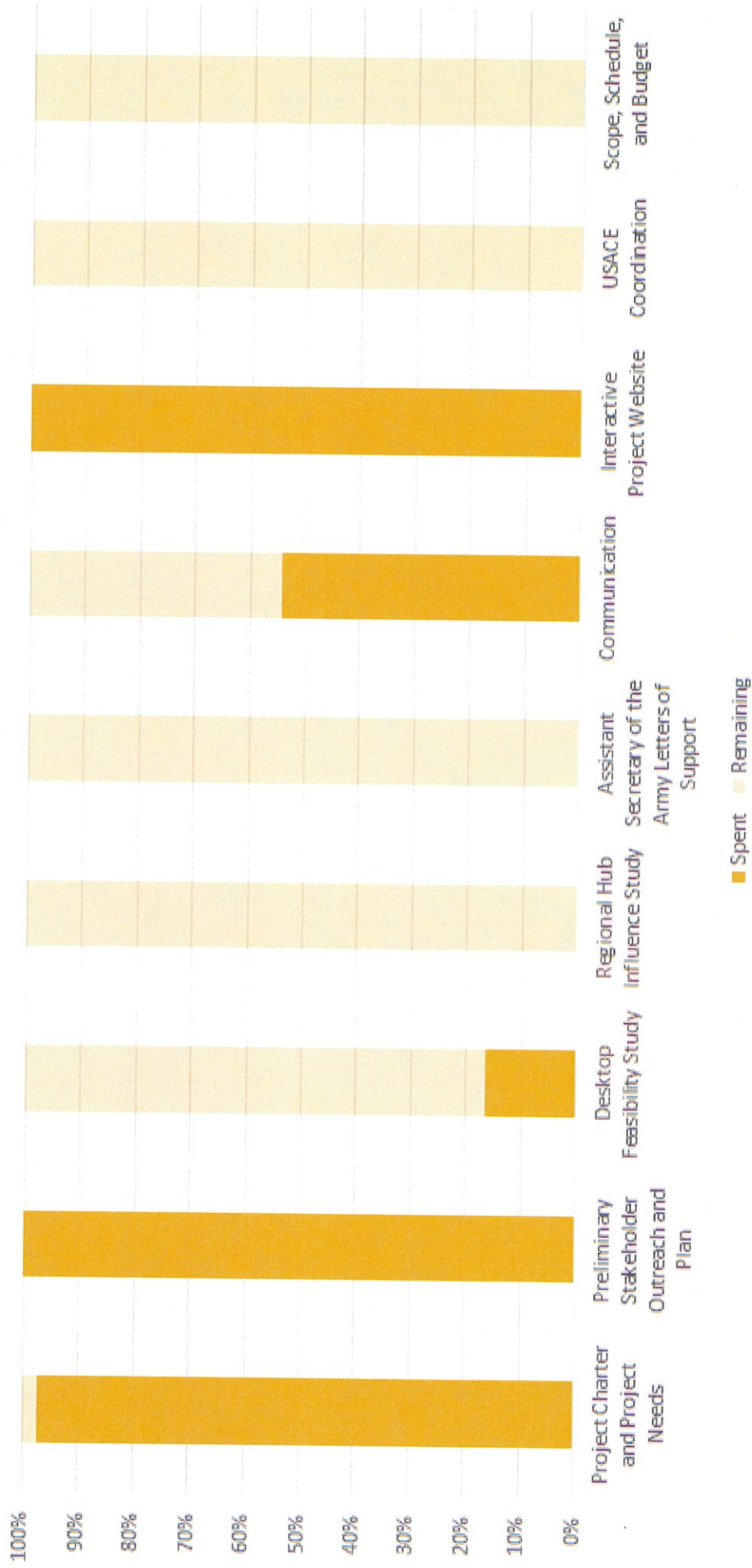
December 20, 2023

Owner's Representative Budget



January 2, 2024

Owner's Representative Spent to Date by Task



January 2, 2024

Introduced by: Assembly Members and Mayor
Date: 01/02/24
Action: Adopted
Vote: 9 Yes, 0 No, 0 Absent

**KENAI PENINSULA BOROUGH
RESOLUTION 2024-001**

**A RESOLUTION URGING ADDITIONAL STATE OF ALASKA MATCH FUNDING
FOR THE HOMER HARBOR EXPANSION GENERAL INVESTIGATION STUDY IN
THE AMOUNT OF \$288,523**

WHEREAS, Homer’s Port & Harbor is a regional port, serving the needs of commercial vessels operating across southcentral and western Alaska, and the Arctic in the maritime industrial, marine transportation and commercial fishing industries and, over time, the increased demand for services provided by the Homer Port & Harbor has outgrown Homer harbor’s ability to safely and efficiently serve this fleet; and

WHEREAS, the City of Homer (“City”) has identified a new large vessel port expansion among its highest ranked priority capital improvement projects since 2004 to (1) meet the growing needs of our commercial fleet, (2) address overcrowding and associated navigational safety concerns and high maintenance costs, and (3) support emerging regional and national economic opportunities; and

WHEREAS, in recognition of this need, the City and the U.S. Army Corps of Engineers (“USACE”) entered into a Federal Cost Share Agreement in March 2023 to initiate a Homer Harbor Expansion General Investigation (“GI”) that investigates all planning aspects needed to build a large vessel harbor at the Homer Spit including, but not limited to: selecting a preferred design alternative and construction methods, evaluating social, economic and environmental factors, determining costs and conducting a cost benefit analysis; and

WHEREAS, the initial cost of the Homer Harbor Expansion GI 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 (\$1.5M federal/\$750,000 State of Alaska/\$750,000 City of Homer; and

WHEREAS, after reaching the study’s Alternatives and Measures Milestone, the USACE project development team updated the PMP to include two additional activities in the GI scope (geotechnical analysis and ship simulation) so that the study would have sufficient data to develop the most realistic benefit to cost ratio; and

WHEREAS, the additional work increases the cost of the GI study by \$1,154,093 to be similarly shared between the Federal and local partners; and

WHEREAS, the success and continuation of this project lies in continued active partnership and investment at the local, state and federal levels; and

WHEREAS, Homer City Council passed Resolution 23-130 agreeing to the revised scope and cost of the GI under the PMP, stating it is prudent to continue to explore options for a harbor expansion to relieve congestion and improve navigational safety within Homer's Port and Harbor; and

WHEREAS, consistent with the shared local match partnership, Homer City Council Resolution 23-130 additionally expresses the City of Homer's intent to appropriate funds in the amount of \$288,524 for fifty percent of the required local sponsor match and to seek State matching funds for the remaining fifty percent; and

WHEREAS, investment in the GI aligns with the Kenai Peninsula Borough's Comprehensive Development Plan, which prioritizes Homer's large vessel harbor expansion in order to meet current moorage demand and improve the Kenai Peninsula's support capabilities to the regional and statewide marine transportation network; and

WHEREAS, the purpose of this resolution is to state the Kenai Peninsula Borough Assembly's support of the completion of the GI study for the Homer Harbor Expansion project, and thereby take the next step in building a large vessel harbor that will support current moorage needs as well as emerging regional and national economic opportunities on the Kenai Peninsula;

NOW, THEREFORE, BE IT RESOLVED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH:

SECTION 1. That the Assembly urges the State of Alaska to provide \$288,523 in additional match funds in the FY25 State budget in order to fully fund local match requirements for the Homer Harbor Expansion General Investigation study in partnership with the US Army Corps of Engineers and the City of Homer as the development of this public facility will help enhance safety and economic prosperity among the many Alaskan communities who depend on services operating out of Homer Port and Harbor.

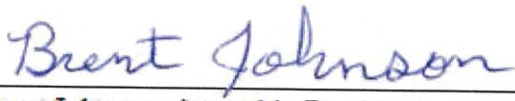
SECTION 2. That a copy of this resolution will be sent to Governor Dunleavy.

SECTION 3. That a copy of this resolution will be sent to State Senator Jesse Bjorkman and State Senator Gary Stevens, State Representative Ben Carpenter, State Representative Justin Ruffridge, State Representative Louise Stutes, and State Representative Sarah Vance.

SECTION 4. That a copy of this resolution will be sent to the borough's congressional delegation.

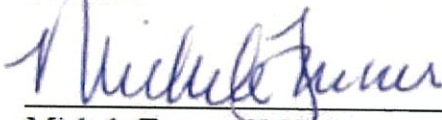
SECTION 5. That this resolution is effective immediately.

ADOPTED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH THIS 2ND DAY OF JANUARY, 2024.



Brent Johnson, Assembly President

ATTEST:



Michele Turner, CMC, Borough Clerk



Yes: Cooper, Cox, Ecklund, Elam, Hibbert, Ribbens, Tunseth, Tupper, Johnson
No: None
Absent: None