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**CITY OF HOMER
HOMER, ALASKA**

City Manager/Port Director

RESOLUTION 24-013

A RESOLUTION OF THE CITY COUNCIL OF HOMER, ALASKA, IN SUPPORT OF RAISING THE MAXIMUM AVAILABLE ANNUAL AWARD PER MUNICIPALITY FROM \$5,000,000 TO \$7,500,000 FOR THE STATE OF ALASKA MUNICIPAL HARBOR FACILITY GRANT PROGRAM.

WHEREAS, The majority of the public boat harbors that are the critical transportation links and the transportation hubs for waterfront commerce and economic development in Alaskan coastal communities where constructed by the State during the 1960s and 1970s; and

WHEREAS, The State of Alaska over the past nearly 30 years has transferred ownership of most of these State-owned harbors, many of which had infrastructure at or near the end of their service life at the time of transfer, to local municipalities; and

WHEREAS, The municipalities took over this important responsibility even though they knew that these same harbor facilities were in poor condition at the time of transfer due to the state's failure to keep up with deferred maintenance; and

WHEREAS, Consequently, when local municipal harbormasters formulated their annual harbor facility budgets, they inherited a major financial burden that their local municipal governments could not afford; and

WHEREAS, In response to this financial burden, the Governor and the Alaska Legislature passed legislation in the form of Senate Bill 291 on July 1 2006, to create the Municipal Harbor Facility Grant program to help municipalities maintain and recapitalize this port and harbor infrastructure (AS 29.60.800); and

WHEREAS, Senate Bill 291 also established that the total amount of grant money made available to an individual municipality was limited to not exceed \$5,000,000 in a fiscal year; and

WHEREAS, The cap on funds was established to facilitate the distribution of available funds over the most communities in need while still providing the practical award amount necessary to complete the large infrastructure rehabilitation projects needed for the aging state transferred harbors; and

WHEREAS, Construction, shipping, and mobilization costs to remote portions of Alaska have outpaced the national consumer price index since the pandemic; and

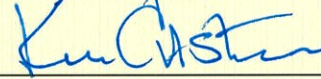
45 WHEREAS, The United States Bureau of Labor Statistics CPI calculator indicates that
46 \$5M in July of 2006, when the Senate Bill 291 was enacted, would be inflated to \$7,511,000 as
47 of July 2023.

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49 NOW, THEREFORE, BE IT RESOLVED that the City Council of Homer, Alaska, urges the
50 Governor and the Alaska Legislature to amend AS 29.60.800 raising the maximum Harbor
51 facility Grant Fund award to \$7,500,000 per eligible project.

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53 PASSED AND ADOPTED by the Homer City Council this 22nd day of January 2024.

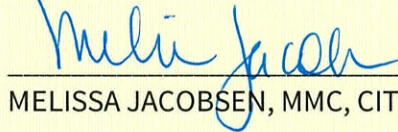
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CITY OF HOMER



KEN CASTNER, MAYOR

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60 ATTEST:



MELISSA JACOBSEN, MMC, CITY CLERK

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65 Fiscal note: N/A



Alaska Association of Harbormasters and Port Administrators



RESOLUTION NO. 2023-2

A RESOLUTION OF THE ALASKA ASSOCIATION OF HARBORMASTERS AND PORT ADMINISTRATORS IN SUPPORT OF RAISING THE MAXIMUM AVAILABLE ALASKA DEPARTMENT OF TRANSPORTATION HARBOR FACILITY GRANT TO \$7,500,000 FOR ELIGIBLE PROJECTS ON AN ANNUAL BASIS.

Whereas, Senate Bill 291 established the Municipal Harbor Facility Grant Program on July 1st, 2006 in which the total amount of grant money made available to a municipality was limited to not exceed \$5,000,000 in a fiscal year; and,

Whereas, the Municipal Harbor Facility Grant is the single most significant funding tool available to Alaskan Harbormaster to plan, maintain and recapitalize port and harbor infrastructure; and,

Whereas, testimony from a legislator advocate stated “SB 291 would establish the municipal harbor facility grant fund to which the Legislature would make an annual appropriation from the watercraft fuel tax account and from the state portion of the fisheries business tax. Both sources come from the marine industry so harbor users would generate the revenue for the program”.

Whereas, Senate Bill 291 was envisioned to cap the funds that can be used per community per year at \$5 million so that a large community couldn't take all the available funds in any given year. The expectation is that communities would establish, maintain, and run an enterprise fund into perpetuity; and

Whereas, the State of Alaska over the past nearly 30 years has transferred ownership of most of these State-owned harbors, many of which were at or near the end of their service life at the time of transfer, to local municipalities; and

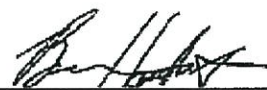
Whereas, these harbor facilities continue to require substantial municipal financial investment to maintain and for capital improvement projects; and

Whereas, construction, shipping and mobilization costs to remote portions of Alaska have outpaced the national consumer price index since the pandemic; and,

Whereas, the United States Bureau of Labor Statistics CPI calculator indicates that \$5M in July 2006 when the Senate Bill 291 was enacted would be inflated to \$7,511,000 as of July 2023.

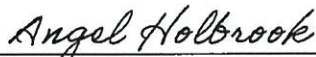
Now therefore be it resolved that the Membership of the Alaska Association of Harbormasters and Port Administrators urges the Governor and the Alaska Legislature to amend AS 29.60.800 raising the maximum Harbor facility grant fund award to \$7,500,000 per eligible project.

Passed and approved by a duly constituted quorum of the Alaska Association of Harbormasters and Port Administrators on this 28th day of September 2023.



Bryan Hawkins
AAHPA President

ATTEST



Angel Holbrook
AAHPA Executive Secretary

