

CITY OF HOMER
HOMER, ALASKA

City Manager/
Port Director

ORDINANCE 25-17(S)

AN ORDINANCE OF THE CITY COUNCIL OF HOMER, ALASKA
AMENDING THE FY25 CAPITAL BUDGET BY ACCEPTING AND
APPROPRIATING A FY24 TRANSPORTATION PROGRAM GRANT IN
THE AMOUNT OF \$1,100,000 FROM THE DENALI COMMISSION FOR
THE PURPOSE OF COMPLETING DESIGN AND PERMITTING FOR
HOMER HARBOR CRITICAL FLOAT SYSTEM REPLACEMENT
PROJECT WITH A LOCAL MATCH OF \$1,105,000 AND
AUTHORIZING THE CITY MANAGER TO EXECUTE THE
APPROPRIATE DOCUMENTS.

WHEREAS, The Homer Harbor Critical Float System Replacement is ranked third among
the City of Homer FY2026 State and Federal Legislative Priorities in the Capital Improvement
Plan; and

WHEREAS, The City submitted an application to the Denali Commission Transportation
Program for funding to complete design and permitting activities for the Harbor Critical Float
System Replacement project for the Homer Harbor; and

WHEREAS, As a 'shovel-ready' project with completed design and permitting, Homer
Harbor Critical Float System Replacement will become eligible for more sources of grant
funding; and

WHEREAS, The Denali Commission has awarded the City a grant in the amount of
\$1,100,000 requiring a local match of ~~\$855,000~~ \$1,105,000. and

NOW, THEREFORE, THE CITY OF HOMER ORDAINS:

Section 1. The Homer City Council hereby amends the FY25 Capital Budget by accepting
and appropriating a FY24 Transportation Program Grant in the amount of \$1,100,000 from the
Denali Commission ~~for the purpose of completing design and permitting for Homer Harbor~~
~~Critical Float System Replacement with a local match of \$855,000 as follows:~~

<u>Fund</u>	<u>Description</u>	<u>Amount</u>
415-XXXX	Denali Commission Grant	\$1,100,000
	<u>FY24 Transportation Program Grant</u>	

Section 2. The Homer City Council hereby amends the FY25 Capital Budget by appropriating \$1,105,000 from the Port & Harbor Match Reserves as follows:

Transfer from:

<u>Fund</u>	<u>Description</u>	<u>Amount</u>
<u>456-0389</u>	<u>Grant Matching Funds</u>	<u>\$1,105,000</u>

Transfer to:

<u>Fund</u>	<u>Description</u>	<u>Amount</u>
<u>415-xxxx</u>	<u>Homer Harbor Critical Float</u>	<u>\$1,105,000</u>
	<u>System Replacement Project</u>	

Section 3. The total construction project cost budget for the City of Homer is \$2,205,000 as follows:

<u>Fund</u>	<u>Description</u>	<u>Amount</u>
<u>415-xxxx</u>	<u>FY24 Transportation Program Grant</u>	<u>\$1,100,000</u>
<u>456-0389</u>	<u>Grant Matching Funds</u>	<u>\$1,105,000</u>

Section 4. The City Manager is authorized to execute the appropriate documents.

Section 5. This ordinance is a budget amendment ordinance, is temporary in nature and shall not be codified.

ENACTED BY THE CITY COUNCIL OF HOMER, ALASKA this 24th day of March, 2025.

CITY OF HOMER



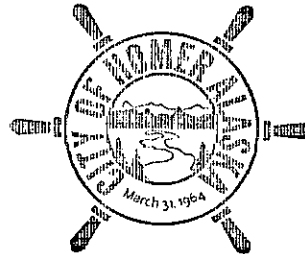
RACHEL LORD, MAYOR

ATTEST:



RENEE KRAUSE, MMC, CITY CLERK

YES: 6
NO: 0
ABSTAIN: 0
ABSENT: 0



84

85 First Reading: 2/24/25

86 Public Hearing: 3/10/25

87 Second Reading: 3/24/25

88 Effective Date: 3/25/25



MEMORANDUM

Ordinance 25-17(S), An Ordinance of the City Council of Homer, Alaska, Accepting and Appropriating a FY24 Transportation Program Grant in the amount of \$1,100,000 from the Denali Commission for the purpose of completing design and permitting for Homer Harbor Critical Float System Replacement Project with a Local Match of \$1,105,000 and Authorizing the City Manager to Execute the Appropriate Documents. City Manager/Port Director.

Item Type: Informational Memorandum
Prepared For: Mayor and City Council
Date: March 14, 2025
From: Jenny Carroll, Special Projects & Communications Coordinator
Bryan Hawkins, Port Director
Through: Melissa Jacobsen, City Manger

Several questions came up during the second reading of Ordinance 25-17(S) regarding the Homer Harbor Critical Float Systems 4 & 1 Replacement Project. A vote on the Ordinance was postponed pending additional information coming forward from staff. This memo addresses those questions.

A question was posed about if the project scope had changed, and cited the need for City staff to keep City Council updated on projects.

City prioritization of the need to replace Float System 4 first appeared in the City's 2013-2018 Capital Improvement Plan (CIP). After a Comprehensive Condition Assessment and Report was completed in 2022 identifying Float System 4 and 1 in critical to serious condition, the scope of the project grew in the 2023-2028 CIP to include Float Systems 4 and 1, and City Council promoted the project as a Legislative Priority project in the City's 2023-2028 CIP. The Critical Float System Replacement Project scope has not changed since the project was ratified by City Council for inclusion in the 2023-2028 CIP on October 10, 2022. Staff has since been seeking to leverage funds from various sources to replace this important infrastructure and has provided information about the project and staff efforts to that end through the following project updates to City Council:

January 9, 2023	IIJA Grant Recommendations Presentation to Homer City Council
Feb 13-Nov 20, 2023	Monthly Grant Activity update reports to City Council listing Denali Commission Grant program availability for project Design/Engineering
April 24, 2023	Resolution 23-040 Supporting 2023 Port Infrastructure Development Program (PIDP) grant application and committing local match funds
February 22, 2024	Grant Activity update listing Denali Commission Grant program availability for project Design/Engineering
April 15, 2024	Grant Activity Update indicating City applied for Denali Commission Grant and planned a Federal appropriation request for Design/Environmental Review and Permitting
April 22, 2024	Resolution 24-045(A) Supporting 2024 PIDP grant application and committing local match funds

June 4, 2024	Grant Activity Update indicating City was awaiting award decision on Denali Commission grant application and that staff submitted Federal appropriation requests for Design/Permitting
August 7, 2024	Grant Update Informational Memo from Special Projects & Communications Coordinator reiterated staff had applied for Denali Commission grant and that a \$250,000 Federal appropriation request was forwarded to House appropriations committee
August 26, 2024	City Council Work Session on the 2025-2030 City of Homer Capital Improvement Plan (CIP)
September 9, 2024	Resolution 24-100 Selection of FY26 Legislative Priority Projects and 2025-2030 CIP Adoption (See CIP Project Description, attached.)
October 9, 2024	City Manager's Report announced the planning and design phase of the Float Replacement project was selected by the Denali Commission for \$1.1M in grant funding, stating that combined with potential federal appropriation, would cover 61% of the project's \$2,205,000 cost.
February 4, 2025	B/U Memo to Resolution 25-013 authorizing a Task Order for FY25 PIPD grant assistance reiterated that the City had been approved for a \$1.1M Denali Commission grant and that the FY25 Federal appropriation was still pending.

Throughout all these communications, the scope of the project has not changed. Funding requests in the PIDP grant application was for Design/Permitting and Construction of Systems 4 & 1 at a total cost of \$60,240,898 based on a coastal engineer estimate in 2024. Of that amount, we estimate \$2,205,000 for the design and permitting work, about \$6.7M is for Mobilization/Demobilization, and the rest for construction and related construction costs to rebuild the two float systems.

A project overview, relevant documents and periodic updates can be found on the City's website <https://www.cityofhomer-ak.gov/port/homer-harbor-critical-float-system-replacement-project>.

A question was posed as to why we needed to fund a study when what we need is to replace float systems.

The Denali Commission Transportation Program Grant is not for a study. It is providing subsidy funding to complete engineering design specifications, environmental review and permitting. Engineered designs ensure structural integrity, proper load ratings, and compliance with safety standards, protecting both users and the municipality from liability. It also helps with infrastructure longevity and resilience to withstand the specific environmental conditions of the harbor's location including tidal variations, storm events, and seasonal weather patterns, as well as functional compatibility with shore connections and the operational needs of various vessel types. Completing environmental assessment and obtaining required permit approvals ensures regulatory compliance and addresses any potential impacts of the project to key resources, including avoidance, minimization, and mitigation measures that might be needed during construction.

Getting to construction in a phased process has advantages. The benefits of completing design and environmental permitting for a municipal project that relies on grant funding include:

- Grant readiness – The Alaska Municipal Harbor Grant Program requires "shovel-ready" projects with completed designs and permits. Having these in place makes the City's FY25 (or beyond) Federal grant applications more competitive and increases chances of securing funding.
- Accurate cost estimates - Completed designs provide detailed cost projections, allowing for more precise grant requests and reducing the risk of funding shortfalls.

- Reduced timeline uncertainties - Environmental permitting often has unpredictable timelines. Completing this work in advance prevents delays once funding is secured.
- Demonstrated commitment - Shows granting agencies your municipality has already invested resources, indicating project viability and local support.
- Risk mitigation - Identifies potential environmental issues early, allowing time to address them before construction rather than facing costly surprises later.
- Sequential funding opportunities - Enables applications for design/permitting grants first, then implementation grants, removing the need to ask for design/permitting funding in the construction grant application.

City Council questioned what is included in the project scope and asked for a budget

The project scope consists of environmental and engineering services to complete 100% design of Systems 4 and 1 ADA-compliant replacement floats, including:

- Connector floats A & AAA lengthened to widen narrow fairways to reduce vessel collisions;
- Replacement of corroded and undersized pilings to meet load demands on the systems;
- Four 100-foot, covered gangways to replace 73-foot gangways number 1, 2, 4, and 6;
- Code-compliant fire response, potable water and electrical supply systems.

The scope also includes completing environmental review and permitting which will be required to adequately address potential impacts of float construction activities to key resources and detail avoidance, minimization, and mitigation measures during construction. See Float System Replacement diagram, attached.

The initial plan is to retain a coastal engineer from the City's competitively procured Term Contractors) to bring designs to 35%, initiate long-lead time environmental and permitting activities and assist with developing a bid document to competitively procure a contractor to complete engineered design sets, field investigations, environmental and permitting under a Design-Build contract.

Staff obtained an engineers' cost estimate for the work to inform the City's 2024 Port Infrastructure Development Program grant application and is broken down as follows: Field Investigations \$250,000; Design Drawings and Specifications \$1,220,000; Environmental Review \$400,000; Permitting \$335,000. Tasks to be performed under these budget categories include:

1. Enter into Federal Award Agreement
 - Approve Award Agreement via a Homer City Council Ordinance
 - Execute and return Federal Award Agreement to the Denali Commission
2. Issue Task Order to Competitively Procured Engineering Design Consultant
 - Complete 35% Design
 - Initiate long-lead time Permit activities
 - Complete Design-Build RFP to include project description, preliminary design, scope and specifications, terms and conditions and timeline.
3. Advertise for & Select Design-Build Contractor
 - Competitively procure design-build contractor
 - Issue Notice of Award and Execute Contract

4. Field Investigations

Contractor services include mobilization of equipment, limited drilling and logging boreholes, geophysical bottom survey, topographic survey and reporting. Includes labor, equipment and travel costs.

5. Design Drawings

Contractor services include development of reports, design plans, specifications and cost estimates at stages listed below, review meetings and revisions to design to address review comments.

- 65% design drawings, with specifications and cost estimate for construction
- 95% design drawings, with specifications and cost estimate for construction
- 100% design drawings, with specifications and cost estimate for construction
- Design tasks include, but are not limited to: 1) Adherence to current codes and applicable standards. 2) Design for overall system loads under full occupancy with consideration for shielding factors and deflections of the system and its effects on pile loads, and that all design forces and loads shall be borne by the float structure and transmitted to the piles through an adequate load path. 3) System design that compensates for the effects of tidal elevations, current, wind loads, and waves using US Army Corps of Engineering method, considering protection offered by breakwaters as well as locally generated waves to minimize effect on pile collars and float systems, minimize pounding and ensure long service life. 4) Calculation of dead loads, and snow load for proper float buoyancy design, insuring gangway performance and that floats have proper freeboard under live loads, proper float level under dead loads and that decks are within tolerances of being level. 5) System layout including fairways, aisle clearances, and float widths in conformance with ASCE 50 and UFC 4-152-07 to accommodate design vessels. 6) Accessible routes and minimum number and size of accessible slips in accordance with ADA 1003. 7) Design drawings for any utility attachments or appurtenance attachments such as ladders, HDPE potable water piping, fire extinguisher cabinets, power pedestals, etc. as required to function with the final geometry of the float system. 8) That length and position of the floats shall not encroach on the fairway 9) final pile design including cathodic protection and determining lateral loads acting on design vessels and floating docks and applied to piles as well as embedment required to achieve fixity 10) BABA compliance (Build American-Buy American)

6. Environmental Review and Permitting

The City will retain an environmental consultant with NEPA and permitting experience in Alaskan harbor and dock projects needing Incidental Harassment Authorizations (IHAs) and information to support federal agencies' permit decisions. The contractor will provide assurance that design supports National Environmental Policy Act (NEPA) requirements and is properly permitted. Budget anticipates that the impacts and level of controversy are not significant; an environmental assessment is anticipated to adequately address potential impacts to key resources and detail avoidance, minimization, and mitigation measures.

- Contractor completes environmental narrative, public and regulatory agency outreach and scoping, conducts outreach to regulatory agencies and the public, develops draft Environmental Assessment report, conducts public and agency comment period, and completes final environmental assessment compliant with US Department of Transportation Maritime Administration requirements.
- Contractor secures construction permits, including an Endangered Species Act and Incidental Harassment Authorization (IHA) permits.
- The project will require the following standard State environmental permits and approvals:

- Alaska Department of Fish and Game – Fish Habitat Permit
- Alaska Department of Environmental Conservation – Stormwater Treatment & Runoff Design Review; Water & Sewer Utilities; Multi Sector General Permit; Operational SWPPP for Boatyards; permit applications to comply with Sections 401 and 404 of the Clean Water Act and Section 10 of the Rivers and Harbors Act
- Alaska State Historic Preservation Office – Section 106 of the National Historic Preservation Act review
- Federal environmental permits required include:
 - IHAs under the Marine Mammal Protection Act: NMFS – whales, porpoises, seals, and Steller sea lions; U.S. Fish and Wildlife Service – northern sea otters
 - Biological Assessment in compliance with the Endangered Species Act for marine mammals and the sunflower sea star
 - U.S. Army Corps of Engineers Section 10 and Section 404 Authorizations

A question was posed about utilizing Port & Harbor Match Reserves for float system construction, rather than applying it toward a grant match.

Cost estimates for upgrading System 4 and replacing the gangway with a 100' covered ADA ramp is about \$12 million. By the end of this fiscal year, we're expecting a balance of about \$3.6 million combined total in the Harbor Match and Port and Harbor Reserve Fund 456. At our current rate of adding about \$800K a year to the Harbor Match Reserves and Harbor General Reserves, it would take us around ten years to save up for a \$12 million project—assuming we don't need to spend too much on capital projects maintaining the old infrastructure. For instance, we will be coming to City Council for an appropriation in the next month for approximately \$25,000 to refloat DD Float on System 4, which has almost no remaining freeboard. I'm very concerned that if we don't get adequate floatation under DD and we have another hard winter, we will likely need to condemn DD (36 stalls).

The Port and Harbor has an ongoing bond payment for the 2013 Harbor Float Replacement Project, which was refinanced in 2022. Currently, our annual payment is \$300,000, and the last payment is scheduled for 2033. Once that bond is paid off, we'll have more flexibility in our budget to take on additional debt for future projects and potentially replacement timeline.

Historically, the Port and Harbor has counted on state and federal grants to cover about 50% of the costs for float replacement projects. In 2015, the City Council and Port Commission approved a 10-year moorage rate plan for the harbor, assuming grants would offset a significant portion of the costs. That plan had a \$62 per foot cap plus inflation, and we kept the increases to 3.2% per year over 10 years instead of implementing a massive fee jump all at once. We were at \$32 per foot when the public education on these rates first started. All to say that in 2025 we are currently half way to where we should have been in 2015 when it comes to sustainable moorage rates.

At least for the near future, it seems we can't rely as heavily on grant funds. We may have to rethink how we approach funding these projects moving forward. However, while the Federal grant landscape will be changing under the policies of the new Administration, there are still federal subsidy grants available for the City to pursue that were previously enacted by Congress. Presently this includes:

- Rural and Tribal Assistance Pilot Program grant which staff submitted on 3/18/2025 for \$735,000 to help fund environmental review and permitting activities (no match funds required);
- 2025 Port Infrastructure Development Program grant for construction subsidy (20% match required for competitiveness). Through Ordinance 25-09, Homer City Council appropriated Port and Harbor Reserve Funds to obtain professional grant writing services to assist with the grant, but staff is still waiting for the Notice of Funding to make its way through review for conformance to the new Presidential Executive Orders and be published before working on an application;
- Possibly a 2025 BUILD (formerly RAISE) grant; and
- Accepting the Denali Commission Transportation Program Grant.

Shovel-Ready Plans: A Path Forward

With that in mind, accepting the Denali Commission grant leverages one known subsidy opportunity to get shovel-ready plans in place. We'll need them no matter what we do next, and it's an opportunity to cover half the cost through a grant than to pay for everything out of the enterprise account.

Recommendation:

Adopt Ordinance 25-17(S).

Attachments:

2025-2030 CIP Project Description
Float System Replacement diagram
30% Design Drawings



3. Homer Harbor Critical Float System Replacement: Float Systems 4 & 1

Project Description & Benefit: The project replaces Systems 1 and 4 and their adjoining gangways in Homer Harbor. These float systems were constructed by the State of Alaska in 1964 for the original Homer Harbor and transferred to City ownership in 1999 with extensive deferred maintenance. Despite having completed major upgrades to harbor assets in the past ten years and increased maintenance expenditures, the City has been unable to keep pace with infrastructure deterioration.

Systems 1 and 4 range in age from 37 to 60 years old, are in serious to critical condition, do not meet current design or safety standards and will soon face load restrictions or decommissioning. Demand for moorage and regional freight movement has increased such that the harbor already cannot meet demand. Together, these float systems moor 503 of the 920 vessels the Harbor accommodates and they offer 4,100 linear feet of transient moorage for vessels up to 75 feet long. Decommissioning will displace vessels and create hardship for regional transportation networks that depend on safe and efficient operations at the Harbor, including the Seldovia Fast Ferry Kachemak Explorer for passenger and freight loading, 130 remote worksites and non-road connected communities throughout southcentral and western Alaska, and the commercial fishing fleet.

Major maintenance (added flotation to the main and stall floats and replacing timber piles and decking) has allowed continued use of these floats. But at over thirty years beyond their engineered life expectancy, the systems exhibit critical loss of structural capacity. A 2022 Harbor Condition Survey rated the systems in serious and critical condition, non-compliant with design, fire protection and safety standards and will soon face load restrictions or decommissioning.

Demand for moorage and regional freight movement has increased such that the harbor already cannot meet system demands. The loss of floats in Systems 1 and 4 will have a ripple effect, slow the entire harbor operations, and contribute to delayed shipments. Closing even one finger on a float, either for additional repairs or permanently, means that affected vessels have to raft, hot-berth, move to transient moorage, or most likely be displaced entirely from the facility. System-wide closure would affect 336 vessels for System 1 and 167 vessels for System 4, over half of the harbor's stall capacity. Decommissioning an entire system would increase harbor congestion and operational delays related to rafting and tidal draft constraints, cost the harbor and vessel operators time and fuel. A sudden float system failure that causes vessel damage is a life/safety concern and would likely cost a fisherman an entire season, disrupt freight delivery schedules, and block access to critical floats and services.

Plans & Progress: R&M Engineers provided a harbor-wide condition report and cost estimate for float replacement in 2023 that identified critical float replacement needs including upgrades to shore power, fire suppression and potable water systems. Alaska Harbors Consulting provided 30% design drawings and a cost estimate in 2024. Phase 1 is design, engineering and permitting to bring the project to construction ready status. Phase 2 is Construction estimated at \$58,035,898.

Partial Phase 1 funding has been secured through a 2024 Denali Commission grant. A FY25 Community Project Funding request forwarded by Representative Peltola is slated to secure \$250,000 from the Transportation, Housing and Urban Development Appropriations Subcommittee as well. The City has a grant application pending with the FY24 Port Infrastructure Development Program for both design and construction, and proposes to meet 20.5% match through a revenue bond or TIFIA loan.

Total Project Cost: \$60,240,898

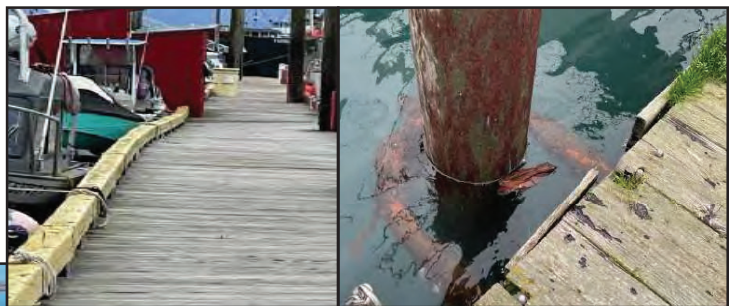
Phase 1: Design, engineering & permits \$ 2,205,000

FY24 Denali Commission grant: \$1,100,000 (confirmed)

FY25 Federal Appropriation: \$ 250,000 (pending)

FY26 State Capital Request: \$ 250,000

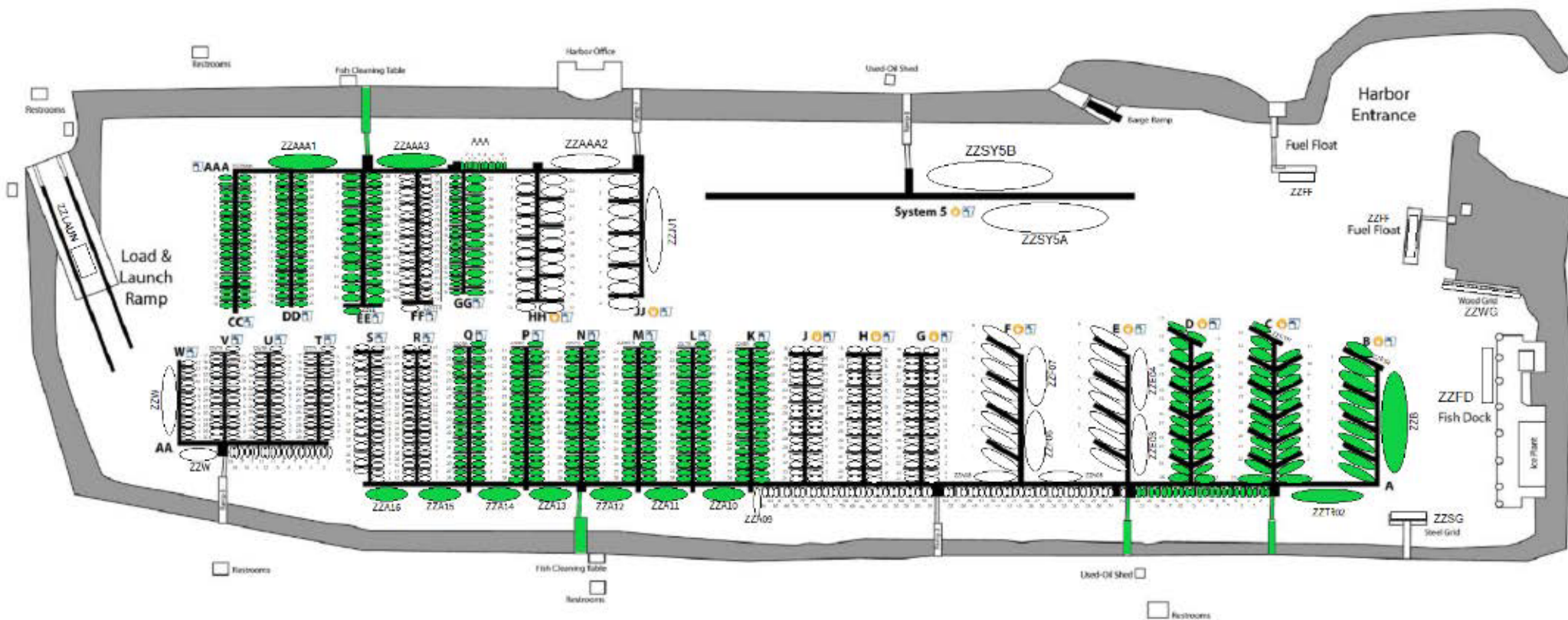
City of Homer Match: \$ 605,000



The warped Headwalk Float AAA (above) shows a failure in the structural members below the deck and lack of flotation. Low freeboard results in accelerated corrosion of the submerged pile collar and decaying connections to the float. Decking has rot and hardware connections protrude through it.

Systems 4 and 1 moor 503 vessels, over half the harbor's capacity.

Schematic of Homer Harbor Float Systems 1 and 4 Replacement Project

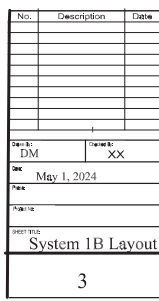


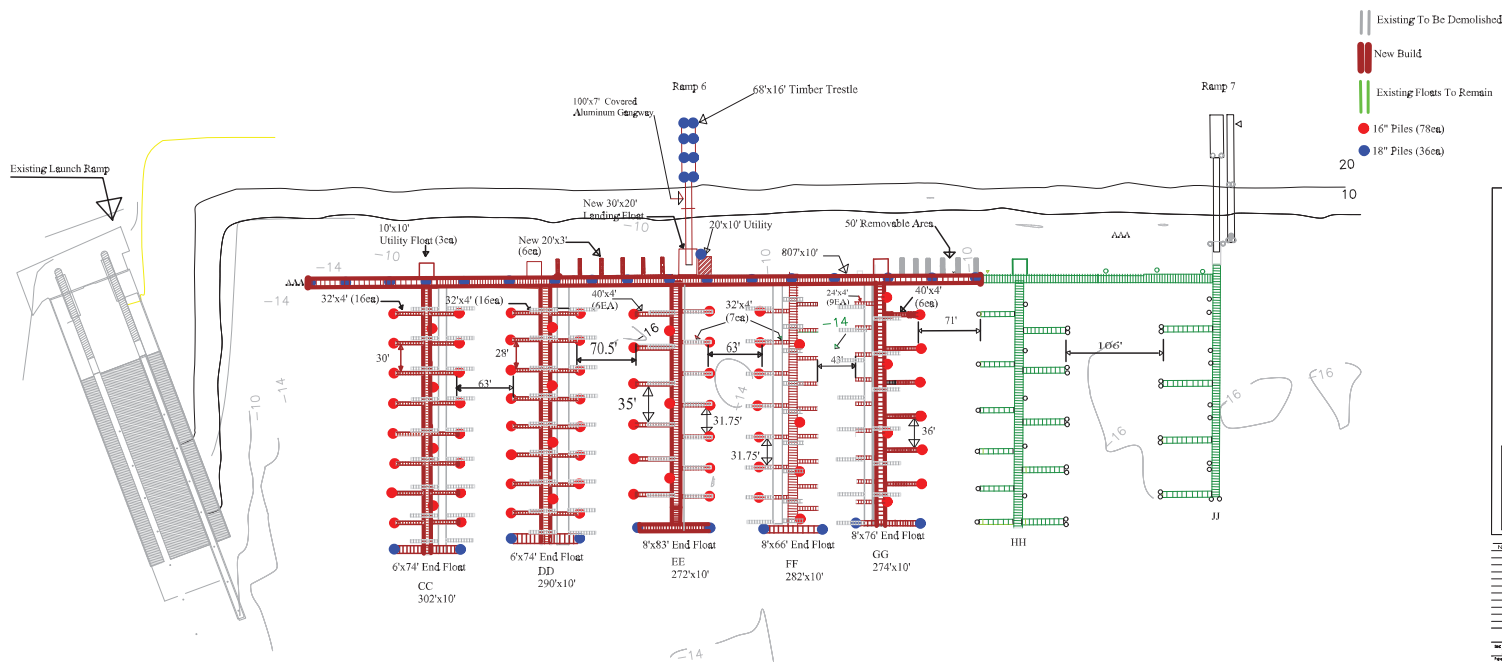
Green shading indicates Float Systems to be replaced.

After design, engineering and permitting, construction will

- Replace System 4, including floats CC, DD, EE, and GG and connector float AAA.
- Replace System 1, including floats Q, P, N, M, L, K, D, C, and B and connector float A.
- Lengthen connector float AAA to increase spacing between floats CC, DD, EE, and GG for greater maneuverability, which will
 - (i) reduce the likelihood of collisions, particularly during low tide times, and
 - (ii) allow for larger vessels to use the slips on those floats, which in turn would increase the Port's capacity to handle larger vessels.
- Replace 73-foot gangways (1, 2, 4, and 6) with covered 100-foot gangways, reducing ice and snow cover and gangway slope during low tides of 30-foot fluctuations or more to improve gangway ease of use and safety.
- Meet Americans with Disabilities Act accessibility requirements for the systems and bring the fire suppression system up to code.







City of Homer
Homer Boat Harbor



REV	DESCRIPTION	DATE

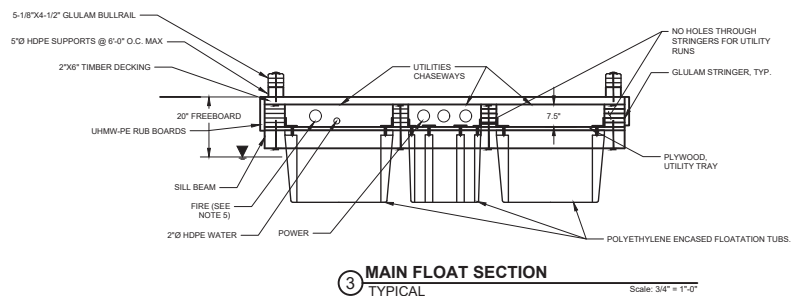
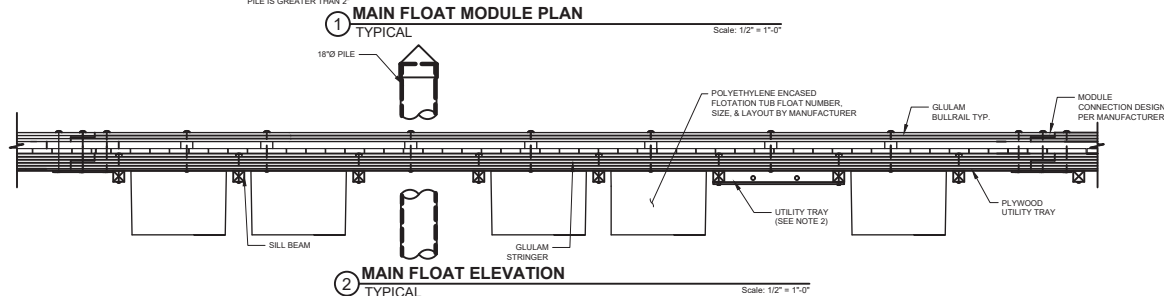
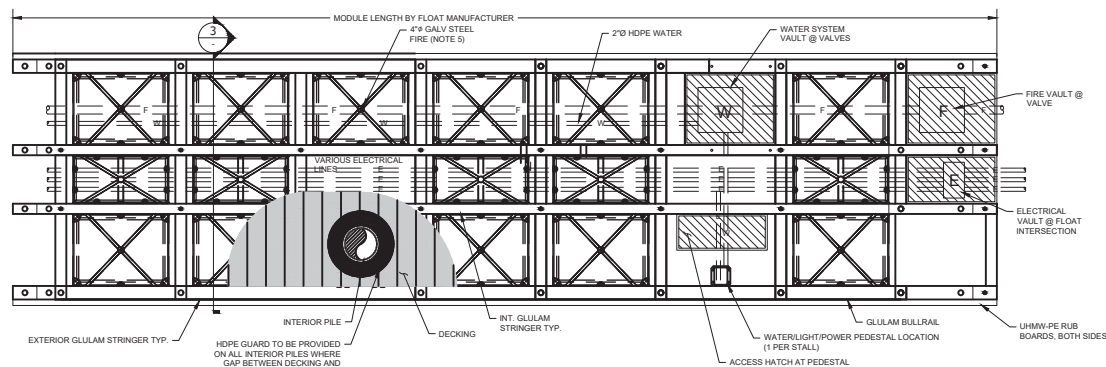
Drawn by:

Checked by:

Date: 1/1/2024

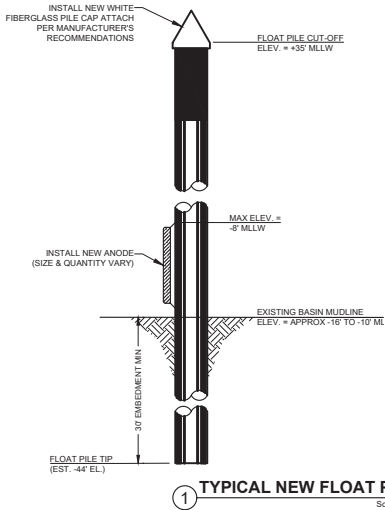
Project: System 4 Layout

Sheet No: 4



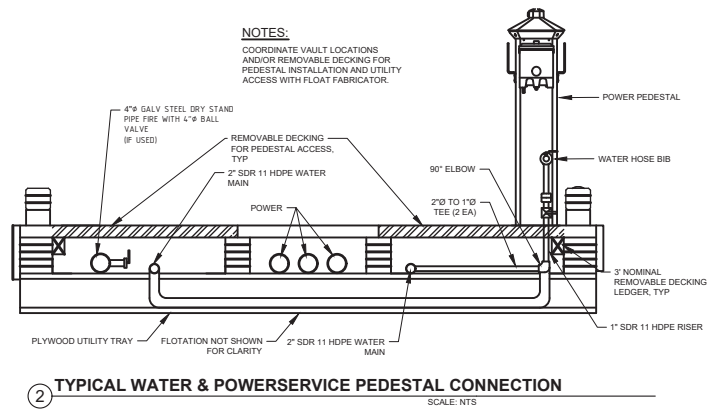
- NOTES:**
1. FLOATING DOCK SYSTEM TO BE MANUFACTURER-DESIGNED. THESE PLANS OUTLINE THE OWNER-PREScribed FEATURES AND PERFORMANCE SPECIFICATIONS FOR THE FLOATS AND SYSTEM.
 2. PROVIDE 3/8" GRATE UTILITY TRAY AT ALL LOCATIONS WHERE UTILITIES RUN ACROSS FLOAT TO PEDESTALS AND AT MAIN F/LAT INTERSECTION LOCATIONS. GRATE SHALL BE RATED FOR MIN. 150 POUND DISTRIBUTED LOAD.
 3. PROVIDE BELOW DECK UTILITY TRAYS ON ALL FLOATS.
 4. PROVIDE POLYETHYLENE UTILITY VAULTS WITH REMOVABLE STEEL COVER AND DIAMOND PLATE AND 1" DIA FINGER HOLES @ FLOAT INTERSECTIONS, CORNERS, AND VALVE LOCATIONS. COORDINATE WITH ELECTRICAL, WATER, AND FIRE SYSTEM UTILITIES.
 5. ALTERNATE FIRE SUPPRESSION SYSTEM MAY BE PROVIDED AT THE APPROVAL OF THE CITY OF DENVER.

[illegible]



NOTES:

1. MINIMUM FLOAT PILE LENGTH SHALL BE BASED ON 30 FEET OF EMBEDMENT AND A TOP ELEVATION OF +35 FEET MLLW.
2. THE CONTRACTOR DESIGN OF THE FLOAT SYSTEM MAY INCLUDE ADDITIONAL PILING OR DEEPER PILING EMBEDMENT.

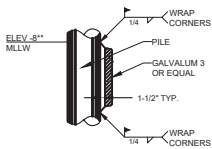


NOTES:

- COORDINATE VAULT LOCATIONS AND/OR REMOVABLE DECKING FOR PEDESTAL INSTALLATION AND UTILITY ACCESS WITH FLOAT FABRICATOR.

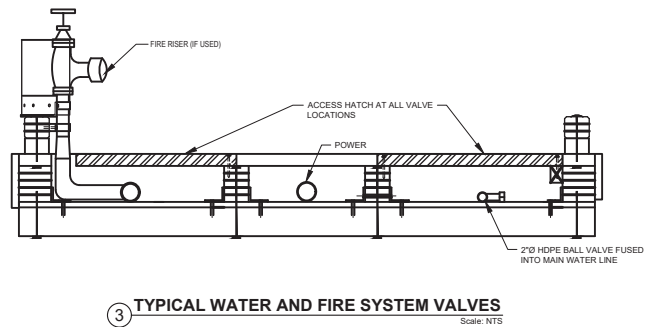
NOTES:

1. INSTALL TWO EA. ANODES PER FLOAT. WEIGHT SHALL BE ANODE MATERIAL NOT INCLUDING MOUNTING TAB. LENGTH OF ANODE SHALL NOT EXCEED 36".
2. TOP OF INSTALLED ANODE SHALL BE NO HIGHER THAN ELEV -8' U.O.N.
3. ANODES SHALL BE INSTALLED BY AN AOC CERTIFIED DIVER. WET WELD TO AWS D3.6 CLASS B STANDARDS
4. COORDINATE ANODE ELEVATION WITH FINAL DESIGN OF FLOATS AND PILE COLLARS.



2 TYPICAL ANODE DETAIL
Scale: NTS

**CONDUCT A LEADLINE SURVEY PRIOR TO INSTALLING ANODES. NOTIFY ENGINEER FOR ANY LOCATIONS WHERE, DUE TO SHALLOW DEPTHS, IF AN ANODE IS INSTALLED PER PLAN, THE TOP OF THE ANODE WOULD BE HIGHER THAN -8' ELEV.



3 TYPICAL WATER AND FIRE SYSTEM VALVES
Scale: NTS



No.	Description	Date

DM KN

MAY 1, 2024

PILE AND ANODE

DETAILS

SHEET NO.



MEMORANDUM

Ordinance 25-17, An Ordinance of the City Council of Homer, Alaska, Accepting and Appropriating a FY24 Transportation Program Grant in the amount of \$1,100,000 from the Denali Commission for the purpose of completing design and permitting for Homer Harbor Critical Float System Replacement. City Manager/Port Director.

Item Type: Back-Up Memorandum
Prepared For: Mayor Lord and Homer City Council
Date: March 5, 2025
From: Melissa Jacobsen, City Manager

The City of Homer has been awarded an FY24 Transportation Program Grant from the Denali Commission in the amount of 1,100,000. As described by the Commission, this grant program “addresses planning, design and construction of ports, harbors, and other rural waterfront needs such as barge landings and docking facilities.”

It has been clarified that the required local match is to be \$1,105,000. The \$855,000 figure in the original ordinance assumes we get the Designated Legislative Grant in the amount of \$250,000 which is included in the draft Federal FY25 budget as a part of the Transportation, Housing and Urban Development Appropriations Bill.

Completing design and permitting for Homer Harbor Critical Float System Replacement will not only increase the number of grant programs for which the project is eligible, it will decrease the amount of risk and uncertainty in the project budget, making it a more competitive applicant for all available funding.

RECOMMENDATION: Substitute Ordinance 25-17(S) for 25-17 and adopt Ordinance 25-17(S) to ensure we have appropriated the necessary match funding in the event we don’t receive funding to offset the cost through grants.



MEMORANDUM

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Item Type: Back-Up Memorandum
Prepared For: Mayor Lord and Homer City Council
Date: February 18, 2025
From: Bryan Hawkins, Port Director
Through: Melissa Jacobsen, City Manager

The City of Homer has been awarded an FY24 Transportation Program Grant from the Denali Commission in the amount of 1,100,000. As described by the Commission, this grant program “addresses planning, design and construction of ports, harbors, and other rural waterfront needs such as barge landings and docking facilities.”

This funding will support the completion of field investigations and geotechnical investigation inside the harbor basin where the existing float systems are, 100% design drawings for the project—which is currently at 30% design—and the required environmental review and permitting.

This project requires a local match of \$855,000, which will be verified as each phase of the project is completed. This local match could be met in part by a Designated Legislative Grant in the amount of \$250,000 which is included in the draft Federal FY25 budget as a part of the Transportation, Housing and Urban Development Appropriations Bill.

Completing design and permitting for Homer Harbor Critical Float System Replacement will not only increase the number of grant programs for which the project is eligible, it will decrease the amount of risk and uncertainty in the project budget, making it a more competitive applicant for all available funding.

RECOMMENDATION: Accept and appropriate the FY24 Transportation Program Grant in the amount of \$1,100,000 from the Denali Commission.



Denali Commission
550 West 7th Ave, Suite 1230
Anchorage, AK 99501

907.271.1414 (P)
888.480.4321(TF)
www.denali.gov

August 23, 2024

Melissa Jacobsen
Interim City Manager
City of Homer
491 E Pioneer Ave.
Homer, AK 99603

*****Delivered via email to citymanager@cityofhomer-ak.gov *****

RE: 2024 Denali Commission Program Grants FOA DC-WP-24-001

Dear Ms. Jacobsen,

I am pleased to inform you that a selection committee recently evaluated your application for **2024 Denali Commission Program Grant** funds. Your application for the Homer Port Coastal Freight Phase 1 Project was approved for funding in the amount of **\$1,100,000**.

Please note: this letter does not authorize you to incur costs or otherwise obligate Denali Commission funds until your financial assistance award has been fully executed.

Transportation Program Manager Nikki Navio will be in touch soon to assist you in identifying any additional information that may be relative to your project and to negotiate your financial assistance award.

Congratulations on your successful application. We at the Denali Commission look forward to working closely with you on this important project and offer our best wishes for your success. If you have any questions regarding this award, please feel free to contact Nikki at 907-271-1414.

Sincerely,

A handwritten signature in blue ink, appearing to read "J Fenton", is written over a light blue circular background.

Jocelyn Fenton
Interim Federal Co-Chair

cc: Nikki Navio, Denali Commission Transportation Program Manager
Janet Davis, Denali Commission Grants Officer

CITY OF HOMER
FINANCIAL SUPPLEMENT

PROJECT NAME	Match - FY24 Transportation Program Grant	DATE	03/04/2025
DEPARTMENT	Port and Harbor	SPONSOR	City Manager/Port Director
REQUESTED AMOUNT	\$ 1,105,000		

DESCRIPTION	<p>The Homer Harbor Critical Float System Replacement is ranked third among the City of Homer FY2026 State and Federal Legislative Priorities in the Capital Improvement Plan. The City submitted an application to the Denali Commission Transportation Program for funding to complete design and permitting activities for the Harbor Critical Float System Replacement project for the Homer Harbor. As a 'shovel-ready' project with completed design and permitting, Homer Harbor Critical Float System Replacement will become eligible for more sources of grant funding.</p> <p>The Denali Commission has awarded the City a grant in the amount of \$1,100,000 requiring a local match of \$1,105,000.</p>
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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		FUNDING SOURCE 2:		FUNDING SOURCE 3:	
Current Balance	\$ 1,993,675	Current Balance	_____	Current Balance	_____
Encumbered	\$ 288,524	Encumbered	_____	Encumbered	_____
Requested Amount	\$ 1,105,000	Requested Amount	_____	Requested Amount	_____
Other Items on Current Agenda	\$ 0	Other Items on Current Agenda	_____	Other Items on Current Agenda	_____
Remaining Balance	\$ 600,151	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	_____

**Financial Assistance Award Terms and Conditions
Between the Denali Commission and City of Homer
For Homer Port FREIGHT (Freight Resiliency & Efficiency – Improving Greater
Homer-area Transportation) – Phase 1 Design & Permitting
Award No. _____**

1. Project Summary

- a. Scope of Work: Complete design, environmental review and permitting for the Float System 4 & 1 Replacement project which will help safeguard Homer's critical marine transportation infrastructure
- b. Deliverables: See Attachment A: Scope of Work.
- c. Budget: The Commission makes \$1,100,000 available for the project via this Financial Assistance Award (FAA) and is designated as a non-federal match to other federal funds. This amount includes all direct, indirect, and pre-award costs (if any) authorized pursuant to 2 CFR 200.458. Other partners on the project include City of Homer, who in total is contributing an additional \$855,000. All Commission funding shall be used for the scope of work identified in this FAA only. Any funds remaining after the full scope of work has been completed shall be returned to the Denali Commission consistent with 2 CFR 200.345.
- d. Delivery Method: The City of Homer will oversee all tasks and contracts and competitively procure a contractor to achieve 35% design, initiate long-lead time permit activities, and develop the request for proposals, followed by procuring a design-build team to complete the design.
- e. Performance Period: The Period of Performance for this FAA is 6 January 2025 through 31 July 2026. In accordance with 2 CFR 200.309 Recipients can only incur obligations or costs against this FAA during the Period of Performance, unless specifically authorized in the Special Provisions. If a project cannot be completed within the approved Period of Performance, an extension request must be made in accordance with the Commission's Recipient Guidelines and Requirements (RGR).
- f. Place of Performance and Beneficiaries: The place of performance is Homer, a small, rural, first-class city in Census Tract 10, approximately 220 miles south of Anchorage, Alaska on the southern end of the Kenai Peninsula. The community has a population of 5,522 people, 7.6% of whom identify as American Indian or Alaska Native.

Homer is:

- not identified as a distressed community in the Commission's 2023 Distressed Communities Report
- not identified as an Environmentally Threatened Community in the Commission's 2019 Statewide Threat Assessment

- not identified as disadvantaged per the Council on Environmental Quality's Climate and Economic Justice Screening Tool

Additional details are included in Attachment A.

2. Project Reporting and Commission Site Visits

Progress reports and a closeout report are required under this FAA. Progress Reports shall be submitted at the frequency stipulated in the Special Provisions.

The Closeout Report shall be completed within 90 days of the end of the Period of Performance. All reports must be submitted using the Denali Commission's online Project Database System, available at [Denali Commission Project Database](#).

Commission staff or agents of the Commission may visit the project site or home office to monitor progress during or after the Period of Performance. The Recipient shall coordinate and make information available to facilitate such site visits.

Refer to the [Recipient Guidelines and Requirements](#) document for further information related to reports and site visits.

3. Payments

The Commission shall make payments under this FAA per [2 CFR 200.305](#) by electronic transfer in response to a [Standard Form 270 \(SF-270\)](#) "Request for Advance or Reimbursement", submitted by the Recipient. At a minimum, all SF-270s must include summary cost information on labor, materials, contracts/consultants, and indirect costs. Detailed documentation is required for any single expenditure greater than \$50,000. The Special Provisions will indicate if Pre-award Costs and/or Advance Payments are authorized under this FAA. Requests for reimbursements may be made as needed. Refer to the [Recipient Guidelines and Requirements](#) document for further information about submitting SF-270s.

4. Modifications

In accordance with [2 CFR 200.308](#), the Recipient shall report deviations in project scope, budget, delivery method, management plan, schedule, or changed site conditions and request prior approvals from the Program Manager. The Recipient shall also submit written requests to the Program Manager to replace Key Staff identified in the Special Provisions. Refer to the [Recipient Guidelines and Requirements](#) document for further information about modifying a Financial Assistance Award.

5. Financial Management, Record Keeping, Internal Controls, and Audits

The Recipient must have financial management and record-keeping systems consistent with [2 CFR 200.302](#). If the Recipient is a State organization, it must

expend and account for FAA funds in accordance with applicable State laws and procedures for expending and accounting for the State's own funds.

The Recipient must establish and maintain adequate internal controls with respect to this FAA that are consistent with [2 CFR 200.303](#).

In accordance with [2 CFR 200.501](#), Recipients that expend \$750,000 or more of federal funds in a year shall have a single or program-specific audit conducted for that year.

Refer to the [Recipient Guidelines and Requirements](#) document for further information about financial management, record keeping, internal controls, and audits.

6. Direct and Indirect Costs

All direct costs must be allowable, allocable, and reasonable. Indirect costs must be allocable based on accepted accounting policies and practices and in accordance with the Recipient's Negotiated Cost Rate Agreement (NCRA), as applicable. Recipients not having an NCRA may charge the 15% De Minimis rate to [Modified Total Direct Costs \(MTDC\)](#). Indirect costs must be included as a line item or identified with appropriate notes in the approved FAA budget. Refer to [2 CFR 200 Subpart E \(Cost Principles\)](#) and the [Recipient Guidelines and Requirements](#) document for further information on direct and indirect costs.

7. Sub-Awards

All sub-awards and contracts issued by the Recipient under this FAA must comply with [2 CFR 200.331](#) and [332](#).

8. Procurements

- a. States: In accordance with [2 CFR 200.317](#), when procuring property and services under this FAA, a State Recipient must follow the same policies and procedures it uses for procurements from its non-Federal funds. The State Recipient must also comply with [2 CFR 200.322](#) and ensure that every purchase order or contract includes any clauses and provisions required by [2 CFR 200.326](#).
- b. Other Non-Federal Entities: All other non-Federal Recipients, including subrecipients of a State, must follow their own documented procurement procedures, provided that the procedures conform to applicable Federal law and the standards in [2 CFR 200.318](#) through [200.326](#). Refer to the *Recipient Guidelines and Requirements* document for further information.

9. Acknowledgment of Support

The Recipient shall name the Denali Commission as a financial contributor and project/program partner in all media correspondence related to the work supported by this FAA. If Commission funds are used for construction, the Recipient shall also display a sign at the construction site acknowledging the Commission's support. Refer to the [Recipient Guidelines and Requirements](#) document for further information.

10. Real Property and Equipment

The Disposition requirements and restrictions outlined in [2 CFR 200.310](#) through [200.316](#) apply unless specifically altered in the Special Provisions to this FAA.

Any Real Property reporting requirements that apply in accordance with [2 CFR 200.329](#) will be stipulated in the Special Provisions to this FAA.

11. Conflict of Interest

In accordance with [2 CFR 200.112](#), the Recipient must disclose in writing any potential conflicts of interest to the Commission. In addition, [2 CFR 200.318](#) requires that Recipients maintain written standards of conduct covering conflicts of interest and governing the performance of their employees engaged in the selection, award, and administration of contracts. Refer to the [Recipient Guidelines and Requirements](#) document for further information.

12. Denali Commission Policies

Recipients may be required to comply with specific published Denali Commission policies which can be found in the [Recipient Guidelines and Requirements](#) document. The Special Provisions to this FAA will stipulate any specific requirements or deliverables related to these policies.

13. Laws and Regulations

Recipients are required to comply with all applicable Federal laws and regulations. General categories of potentially applicable laws and regulations are summarized below. Refer to the [Recipient Guidelines and Requirements](#) document for further information on specific laws and regulations that may apply.

- a. Debarment and Suspension
- b. Whistle-blower Protection
- c. Non-Discrimination
- d. Lobbying and Propaganda
- e. Environmental
- f. Drug-Free Workplace
- g. Travel
- h. Human Rights
- i. Animal Welfare

- j. Executive Compensation
- k. Build America, Buy America Act

14. Other Provisions

- a. The United States expressly disclaims any and all responsibility or liability to the Recipient or sub-recipients for the actions of the Recipient or sub-recipients resulting in death, bodily injury, property damages, or any other losses resulting in any way from the performance of this FAA, including sub-awards, contracts, or sub-contracts issued in connection with this FAA.
- b. To the maximum extent practicable, considering applicable laws, the Recipient shall accomplish the project contemplated by this FAA using local Alaska firms and labor.
- c. All terms and conditions in this FAA apply to any sub-recipient under this FAA.
- d. Failure to comply with the provisions of this FAA or maintain satisfactory performance may result in additional FAA conditions pursuant to [2 CFR 200.207](#). This includes but is not limited to temporarily withholding payments pending the correction of the deficiency, disallowance of project costs, and wholly or partially suspending or terminating the FAA. In addition, failure to comply with this FAA's provisions may also negatively impact the Recipient's eligibility for future Federal awards.

15. Special Provisions

Progress Reports: Shall be submitted on a quarterly basis. The first reporting period is upon Notice of Award and quarterly thereafter in accordance with the Commission's *Recipient Guidelines and Requirements*.

Pre-award Costs: Allowable upon review and approval from the Program Manager.

Match Requirements: Final SF-270 will not be reimbursed until documentation of match portion has been provided for each task and activity.

Advance Payments: Allowable upon review and approval from the Program Manager.

Key Staff: The following individuals will serve as key staff on the project.

Role	Name	Title	Phone	Email
Signatory Official	Melissa Jacobsen	City Manager	907-435-3102	mjacobsen@ci.homer.ak.us
Program Manager	Bryan Hawkins	Port Director	907-435-3157	bhawkins@ci.homer.ak.us
Back-up Program Manager	Amy Woodruff	Port & Harbor Administrative Supervisor	907-435-3146	awoodruff@ci.homer.ak.us
Financial Manager	Elizabeth Fischer	Finance Director	907-435-3117	efischer@ci.homer.ak.us
Back-up Financial Manager	Jenna DeLumeau	Comptroller	907-435-3116	jdelaide@ci.homer.ak.us
Staff Liaison	Jenny Carroll	Special Projects & Communications Coordinator	907-435-3101	jcarroll@ci.homer.ak.us

Denali Commission Policies:

- *Investment Guidance Policy:* Initiatives and projects developed pursuant to this FAA must maximize match funding and long-term benefits to Alaska.
- *Sustainability Policy:* Initiatives and projects developed pursuant to this FAA must include analysis that shows the initiative/project will be sustainable.
- *Community Planning Policy:* Initiatives and projects developed pursuant to this FAA must be consistent with local and regional planning documents.
- *Open Door Policy:* Any facilities developed pursuant to this FAA shall be available to all potential users.
- *Private Enterprise Policy:* Initiatives and projects developed pursuant to this FAA shall not compete with private interests.
- *Competitive Bid Policy:* Where multiple Alaska-based vendors can complete the required work, Recipients are encouraged to pursue a competitive bid; price competition is required for all contracts over \$3 million.

NEPA: Project falls under Denali Commission National Environmental Policy Act (NEPA) Implementing Procedures published in [45 CFR Part 900](#) on 1 October 2016 Categorical Exclusion A5 for design. In addition to design, the project includes a full NEPA review conforming to Title 23 requirements.

Cooperative Agreement: Not Applicable (N/A)

Equipment Disposition: N/A

Insurance: The Denali Commission shall be named additional insured on City of Homer's General Liability Insurance Policy, the General Liability Insurance Policy of the prime architectural/engineering firm(s) retained to design the project, the Liability Insurance Policy of the first tier construction firm(s) who will construct the project, and the Liability Insurance Policy of all other independent professional service firms (e.g. land surveyors, geotechnical engineers) with a primary role on the project.

Bonds: Bid (if applicable), Payment and Performance bonds in accordance with 2 CFR 200.325.

Ownership and Site Control: N/A

Davis Bacon Wages: N/A

Climate Change and Infrastructure Resilience: City of Homer is encouraged to consult the ASCE Manual of Practice 140 (MOP 140) Climate-Resilient Infrastructure: Adaptive Design and Risk Management, 2018. Simple use of historical environmental data to inform design work is not appropriate. Recipient and/or Recipient's design professionals shall judiciously account for the potential for increased rates of permafrost thaw, coastal/riverine erosion, and flooding during the design life of the infrastructure.

Real Property Disposition: N/A

Real Property Reporting: N/A

16. Program Manager, Financial Manager & Other Contact Information

Denali Commission	City of Homer
Nikki Navio Program Manager 550 W. 7th Avenue, Suite 1230 Anchorage, AK 99501 Phone: 907-271-1413 E-mail: nnavio@denali.gov	Bryan Hawkins Project Manager 491 E. Pioneer Avenue Homer, AK 99603 Phone: 907-435-3157 Email: bhawkins@ci.homer.ak.us
Janet Davis Grants Management Officer 550 W. 7th Avenue, Suite 1230 Anchorage, AK 99501 Phone: 907-271-3036 E-mail: jdavis@denali.gov	Elizabeth Fischer Finance Director 491 E. Pioneer Avenue Homer, AK 99603 Phone: 907-435-3117 Email: efischer@ci.homer.ak.us