

**CITY OF HOMER
HOMER, ALASKA**

City Manager/
Port Director

RESOLUTION 25-072

A RESOLUTION OF THE CITY COUNCIL OF HOMER, ALASKA,
EXPRESSING SUPPORT FOR THE HOMER PORT COASTAL
FREIGHT PROJECT, ENDORSING THE CITY'S GRANT APPLICATION
TO THE UNITED STATES DEPARTMENT OF TRANSPORTATION
MARITIME ADMINISTRATION'S FY2025 PORT INFRASTRUCTURE
DEVELOPMENT PROGRAM AND COMMITTING LOCAL MATCH
FUNDS.

WHEREAS, The City of Homer strives to provide and improve city-operated facilities and services to meet community, regional and statewide needs; and

WHEREAS, The City of Homer owns and maintains the Homer Port & Harbor, a regional maritime transportation hub facility that provides broad community benefits, serving:

- barges and landing craft that deliver cargo and essential supplies to 135 non-road connected communities and work sites in Southcentral, Southwestern and Western Alaska,
- pilot boats and tugs that assist freight delivery to the Port of Alaska and industries located in Southcentral, Southwestern, and Western Alaska, and
- commercial fishing vessels working nearly every fishery in the State of Alaska; and

WHEREAS, A comprehensive Homer Port & Harbor Condition Assessment completed in 2022 by R&M Consultants rated the condition of all port structures and prioritized the need to replace System 4, which is in critical condition due to decades of deferred maintenance by the State before being transferred to City ownership in 1999 through a Transfer of Responsibility Agreement from the State of Alaska; and

WHEREAS, The assessment report also noted that electrical, fire suppression and water supply to these float systems are not up to code; and

WHEREAS, These issues can no longer be adequately or economically addressed through maintenance and major repairs; and

WHEREAS, Float System 4 is facing load restrictions in the short-term and will require being condemned and decommissioned in the near future to mitigate the risk of sudden and catastrophic float failure; and

WHEREAS, Losing this float system will displace a significant number of vessels from the Port facility, increase rafting of vessels on the remaining floats, increase safety hazards for vessel owners and their crews, create vessel delays, and disrupt reliable, affordable means to move freight, supplies and people; and

WHEREAS, Demand for moorage and regional freight movement have increased over time, driving the need to safeguard and maximize moorage capacity and efficiencies in Homer's Port & Harbor to meet this demand; and,

WHEREAS, The Homer Port Coastal FREIGHT (*Freight Resiliency & Efficiency – Improving Greater Homer-area Transportation*) project designs, permits and replaces major portions of System 4 to preserve the foundational integrity and maximum, efficient functioning of the Homer Port facility to serve regional and statewide maritime transportation needs; and

WHEREAS, The project will furnish float systems that are in compliance with modern engineering standards, safety, fire and electrical codes and ADA standards to address safety and accessibility issues; and

WHEREAS, The project has strong local and regional support evidenced by being selected as Legislative Priority project in the City's Capital Improvement Plan, and by letters of support; and

WHEREAS, The project is aligned with Alaska's Statewide Long-Range Transportation Plan goal of sustainability of Alaska's public harbor system; and

WHEREAS, The project is identified as an objective in the Kenai Peninsula Borough Comprehensive Economic Development Strategy: to advance the stability and resilience of Homer's marine transportation infrastructure so that it continues its critical role in facilitating regional economic activity and community resilience; and

WHEREAS, The City is presently investing in the completion of System 4 design and permitting with grant funds from the Denali Commission and local match funds; and

WHEREAS, The United States Department of Transportation (USDOT) Maritime Administration is making Port Infrastructure Development Program (PIDP) grant funds available to support investments in construction projects that improve port resilience, efficiencies in freight movement, equity and workforce development; and

WHEREAS, the Homer Port Coastal FREIGHT project aligns with PIDP's intent and merit criteria; and

WHEREAS, PIDP provides a key funding opportunity to complete the rehabilitation of this critical port infrastructure, with construction estimated at \$16,501,706 for the benefit of

the communities, industry and other regional stakeholders in Southcentral and Western Alaska, which would otherwise be out of reach for the city; and

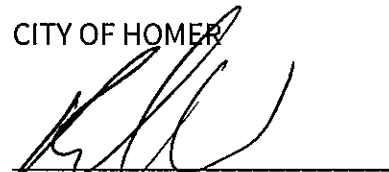
WHEREAS, In light of the regional importance of the project, the City of Homer has developed a financial plan to provide significant match funds through port match reserves and bond/loans, and meeting loan payments utilizing current and new revenues in the Port & Harbor Enterprise Reserve Account.

NOW, THEREFORE, BE IT RESOLVED that the City Council of Homer, Alaska, supports the Homer Port Coastal FREIGHT project and the City's application to the USDOT FY2025 PIDP Grant Program for \$11,240,000; and

BE IT FURTHER RESOLVED that the City Council of Homer, Alaska commits to providing local match funds of 32% (thirty-two percent) of the project cost, for a total match fund commitment of up to \$5,261,706.

PASSED AND ADOPTED by the Homer City Council this 11th day of August, 2025.

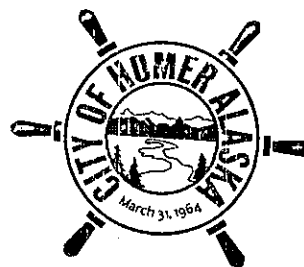
CITY OF HOMER


RACHEL LORD, MAYOR

ATTEST:


RENEE KRAUSE, MMC, DEPUTY CITY CLERK

Fiscal Note: N/A





MEMORANDUM

Resolution 25-072, A Resolution of the City Council of Homer, Alaska, Expressing Support for the Homer Port Coastal FREIGHT Project, Endorsing the City's Grant Application to the United States Department of Transportation Maritime Administration's FY2025 Port Infrastructure Development Program and Committing Local Match Funds. City Manager/Port Director.

Item Type: Backup Memorandum
Prepared For: Mayor and City Council
Date: August 6, 2025
From: Jenny Carroll, Special Projects and Communications Coordinator
Through: Melissa Jacobsen, City Manager

The purpose of this Memorandum is to provide information regarding the City's FY25 Federal Port Infrastructure Development Program grant application. A Resolution of support from the governing body is required to be included in the application, which is due September 10, 2025.

Background: With City Council support, the City applied to the FY24 PIDP for funds to assist with replacing Float Systems 1 and 4 in the Homer Port and Harbor. The FY24 application went to the US Department of Transportation Secretary's desk for final funding evaluation, but ultimately was not selected. In an application debrief with the Maritime Administration, we were encouraged to apply again. The main recommendations to improve the City's application were to reduce the project scope to come in with a small port request and enhance project readiness, both of which we have done.

City Council approved funds via Ordinance 25-09 and Task Orders via Resolutions 25-013 and 25-046 to prepare a 2025 PIDP application. The 2025 PIDP FREIGHT application reflects a reduced scope; it replaces 60-year old components in Float System 4, the harbor's oldest float system. A grant from the Denali Commission has allowed us to progress to 50% design (to date) and submit permit applications, for enhanced project readiness. The redesign will:

- Replace and lengthen connector float AAA to correct inadequate slip separation space, widen narrow fairways and slightly increase moorage capacity and flexibility;
- Replace gangways, corroded and undersized pilings to meet load demands on the systems and install new floats to correct low freeboard and wracking to reduce injury risk for port users; and
- Provide code-compliant water and electrical supply systems.

The total project cost estimate for construction is \$16,501,706 based on nearly 50% design completion. PIDP awards for small port projects are under \$11.25M. The City will request \$11,240,000 in MARAD PIDP grant funds, requiring a local match of \$5,261,706. This local match amount falls in the 32% quintile, indicating excellent competitiveness.

The plan to meet local match is bonding through the Alaska Municipal Bond Bank Authority. Annual bond payments will be funded from port and harbor revenues. The US Department of Transportation offers low-interest (1/2 market rate) Transportation Infrastructure Finance and Innovation Act (TIFIA) financing options for qualified transportation infrastructure projects. Staff has had meetings with TIFIA program staff and consultants and has determined that the FREIGHT project is eligible, if awarded.

RECOMMENDATION: Approve a Resolution of support and match commitment for the Homer Port Coastal FREIGHT project FY2025 PIDP application.