

**CITY OF HOMER  
HOMER, ALASKA**

City Manager/  
Port Director

**RESOLUTION 25-080**

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 (PIDP) AND COMMITTING LOCAL  
MATCH FUNDS.

WHEREAS, City Council adopted Resolution 25-072 authorizing the City's application for  
the USDOT FY2025 PIDP Grant Program for \$11,240,000 and match fund commitment of up to  
\$5,261,706; and

WHEREAS, In the application process a necessary project budget adjustment was  
discovered and the purpose of this resolution is to correct the total project cost and match,  
hereby superseding Resolution 25-072; and

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;
- 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

43  
44 WHEREAS, These issues can no longer be adequately or economically addressed  
45 through maintenance and major repairs; and  
46

47 WHEREAS, Float System 4 is facing load restrictions in the short-term and will require  
48 being condemned and decommissioned in the near future to mitigate the risk of sudden and  
49 catastrophic float failure; and  
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51 WHEREAS, Losing this float system will displace a significant number of vessels from  
52 the Port facility, increase rafting of vessels on the remaining floats, increase safety hazards for  
53 vessel owners and their crews, create vessel delays, and disrupt reliable, affordable means to  
54 move freight, supplies and people; and  
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56 WHEREAS, Demands for moorage and regional freight movement have increased over  
57 time, driving the need to safeguard and maximize moorage capacity and efficiencies in  
58 Homer's Port & Harbor to meet this demand; and  
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60 WHEREAS, The Homer Port Coastal FREIGHT (*Freight Resiliency & Efficiency – Improving*  
61 *Greater Homer-area Transportation*) project designs, permits and replaces major portions of  
62 System 4 to preserve the foundational integrity and maximum, efficient functioning of the  
63 Homer Port facility to serve regional and statewide maritime transportation needs; and  
64

65 WHEREAS, The project will furnish float systems that are in compliance with modern  
66 engineering standards, safety, fire and electrical codes and ADA standards to address safety  
67 and accessibility issues; and  
68

69 WHEREAS, The project has strong local and regional support evidenced by being  
70 selected as a Legislative Priority project in the City's Capital Improvement Plan, and letters of  
71 support; and  
72

73 WHEREAS, The project is aligned with Alaska's Statewide Long-Range Transportation  
74 Plan goal of sustainability of Alaska's public harbor system; and  
75

76 WHEREAS, The project is identified as an objective in the Kenai Peninsula Borough  
77 Comprehensive Economic Development Strategy: to advance the stability and resilience of  
78 Homer's marine transportation infrastructure so that it continues its critical role in facilitating  
79 regional economic activity and community resilience; and  
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81 WHEREAS, The City is presently investing in the completion of System 4 design and  
82 permitting with grant funds from the Denali Commission and local match funds; and  
83

84 WHEREAS, The United States Department of Transportation Maritime Administration  
85 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 future project costs estimated at \$17,053,846 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.

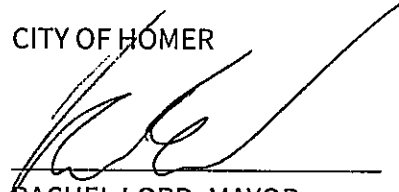
WHEREAS, This financial plan includes non-Federal funding from the Denali Commission and City match to the Denali Commission funds. The future expenditures of these funds associated with the PIDP grant project is \$1,339,990.

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

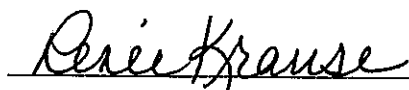
BE IT FURTHER RESOLVED that the City Council of Homer, Alaska commits to providing local match funds of 26% (twenty-six percent) of the PIDP project future expenditures, for a total PIDP match fund commitment of up to \$4,473,856.

PASSED AND ADOPTED by the Homer City Council this 8th day of September, 2025.

CITY OF HOMER

  
RACHEL LORD, MAYOR

ATTEST:

  
RENEE KRAUSE, MMC, ADAC, CITY CLERK

Fiscal Note: See Memorandums CC-25-201 and CC-25-226





# MEMORANDUM

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**Resolution 25-080, 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 (PIDP) and Committing Local Match Funds. City Manager/Port Director.**

**Item Type:** Backup Memorandum  
**Prepared For:** Mayor Lord and City Council  
**Date:** September 4, 2025  
**From:** Jenny Carroll, Special Projects and Communications Coordinator  
**Through:** Melissa Jacobsen, City Manager

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The purpose of this Memorandum is to provide information regarding the need to adopt a Resolution to supercede Resolution 25-072 stating the City's commitment to the FY25 Federal Port Infrastructure Development Program (PIDP) grant application for the Homer Port Coastal FREIGHT project.

**Background:** A Resolution of support from the governing body is required for the PIDP application, which is due September 10, 2025. To meet this requirement, staff brought forward Resolution 25-072, which Council adopted on August 11, 2025. The Resolution states the City's commitment to the FY25 Federal Port Infrastructure Development Program grant application for the Homer Port Coastal FREIGHT project.

**Discussion:** During finalization of the PIDP grant application, staff discovered budget inconsistencies that affect the project cost and match requirement. The inconsistencies arose from how Denali Commission funds were integrated with the PIDP project budget and from the need to distinguish between total project funds and PIDP-specific funds.

Staff brings Resolution 25-080 forward to adjust the total project cost, PIDP request amount, and local match commitment to reflect the corrected budget calculations and align with the PIDP grant application. All corrections are contained in the Resolution clauses spanning lines 103-113.

**RECOMMENDATION:** Approve Resolution to express project support and match commitment for the Homer Port Coastal FREIGHT project FY2025 PIDP application.

**Attachment:** Memorandum CC-25-201



# MEMORANDUM

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**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

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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.