

**CITY OF HOMER
HOMER, ALASKA**

Lord/Hansen

RESOLUTION 23-130

A RESOLUTION OF THE CITY COUNCIL OF HOMER, ALASKA EXPRESSING SUPPORT FOR CONTINUATION OF THE HOMER HARBOR EXPANSION GENERAL INVESTIGATION BY AUTHORIZING THE CITY MANAGER TO SIGN AN UPDATED PROJECT MANAGEMENT PLAN WITH THE US ARMY CORPS OF ENGINEERS, AND STATING INTENT TO FUND 25% OF THE UPDATED GENERAL INVESTIGATION COST.

WHEREAS, Homer Harbor Expansion has been the City's highest ranked 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; and

WHEREAS, The cost of the General Investigation 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 (\$1.5 million federal/ \$750,000 State of AK/ \$750,000 City of Homer); and

WHEREAS, After reaching the Alternatives and Measures Milestone, the USACE project development team updated the PMP to include geotechnical and ship simulation data that would have historically been in the pre-construction engineering and design phase of project design, but USACE has found these to lead to significant cost overruns in the recent past and has determined that these cost overruns are avoidable and additional work is now required to complete the study with sufficient data to develop the most realistic benefit to cost ratio (BCA); and

WHEREAS, Based on a cost estimate provided by USACE, this additional work for the GI study phase comes with an additional cost of \$1,154,093 to be similarly shared between the Federal and Local partners; and

WHEREAS, The City is at a decision point to either concur with the PMP changes, or reject them, which would end the General Investigation and any further work on this project; and

WHEREAS, The City Council, with support from the Homer Port & Harbor Advisory Commission, wishes to continue to pursue the completion of the General Investigation which will require concurrence with the PMP and an additional \$577,046.50 in local sponsor match; and

45 WHEREAS, This project has demonstrated statewide importance and the Council is
46 seeking a continued 50/50 local cost share with the State of Alaska to fund the total additional
47 local match in the amount of \$577,046.50; and
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49 WHEREAS, Following this Resolution, the City Council will next consider a funding
50 ordinance to appropriate half of the total additional local match in the amount of \$288,524
51 from the Port and Harbor Reserves Harbor Match Account to officially set aside the City's share
52 of the local sponsor match; and
53

54 WHEREAS, Signing the updated Project Management Plan does not immediately
55 obligate the City to pay the local match; and
56

57 WHEREAS, It is acknowledged that the City is in a unique circumstance with a gap in
58 Federal funding for federal fiscal year 2024 which will create a slowdown and delay the General
59 Investigation, and that the continuation of the GI and expenditure of funds on the GI is
60 dependent upon continued Federal funding; and
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62 WHEREAS, The City Council believes it is prudent to continue to explore the options for
63 a harbor expansion to meet the needs of our overcrowded fleet and to improve safety among
64 other reasons previous stated; and
65

66 WHEREAS, The City Council is greatly appreciative of our Federal and State partners and
67 recognizes the success and continuation of this project lies in continued active partnership and
68 investment between all three, and that the City will be prudent and continue to assess its
69 relative risk and investment for the completion of the General Investigation.
70

71 NOW THEREFORE BE IT RESOLVED that the City Council of Homer, Alaska hereby:

- 72 1. Authorizes the City Manager to sign the revised Project Management Plan by
73 negotiating and executing the required documents with USACE.
- 74 2. Directs the Council sponsors for this project to prepare an Ordinance to appropriate the
75 sum of \$288,523.25 from Port and Harbor Reserves Matching Fund Account to fund 50%
76 of the required local sponsor match.
77

78 BE IT FURTHER RESOLVED that the City Council of Homer, Alaska recognizes the critical
79 importance of continued regional and statewide partnerships for the Homer Harbor Expansion
80 and:

- 81 1. Directs the Council sponsors for this project to prepare a Resolution supporting and
82 requesting additional match funding from the State of Alaska in the amount of
83 \$288,523.
- 84 2. Authorizes the Council sponsors to contact the Kenai Peninsula Borough requesting a
85 similar Resolution of support for additional State match funding from the Borough
86 Assembly.
87

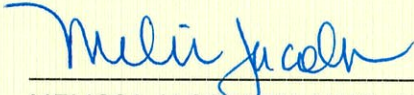
PASSED AND ADOPTED by the Homer City Council this 27th day of November, 2023.

CITY OF HOMER



KEN CASTNER, MAYOR

ATTEST:



MELISSA JACOBSEN, MMC, CITY CLERK

Fiscal Note: N/A

