

Port & Harbor Advisory Commission

**Packets
Wednesday, April 22 ,
2026**



Regular Meeting 5:30 p.m.

Meetings at Homer City Hall
Cowles Council Chambers
491 E. Pioneer Ave.
Homer, Alaska



Agenda

Port & Harbor Advisory Commission Regular Meeting

Wednesday, April 22, 2026 at 5:30 PM

City Hall Cowles Council Chambers In-Person & Via Zoom Webinar

Homer City Hall

491 E. Pioneer Avenue
Homer, Alaska 99603
www.cityofhomer-ak.gov

Zoom Webinar ID: 954 2610 1220 Password: 556404

<https://cityofhomer.zoom.us>
Dial: 346-248-7799 or 669-900-6833;
(Toll Free) 888-788-0099 or 877-853-5247

CALL TO ORDER, 5:30 P.M.

AGENDA APPROVAL

PUBLIC COMMENTS ON MATTERS ALREADY ON THE AGENDA (3 minute time limit)

RECONSIDERATION

APPROVAL OF MINUTES

- [A.](#) Approval of March 25, 2026 Meeting Minutes

VISITORS / PRESENTATIONS

STAFF & COUNCIL REPORT / COMMITTEE REPORTS

- [A.](#) Part & Harbor Staff Report - April 2026

PUBLIC HEARING

PENDING BUSINESS

- [A.](#) Update on Homer Harbor Expansion Study - Tentatively Selected Plan (TSP) Alternative 2

NEW BUSINESS

INFORMATIONAL MATERIALS

- [A.](#) Port & Harbor Operations Report - April 2026
- [B.](#) Port & Harbor Special Projects Status Update
- [C.](#) City Managers Report to Council
- [D.](#) Port & Harbor Fund Expenditure Report
- [E.](#) Port & Harbor Financial Report

[E.](#) Memo CC 26 083

COMMENTS OF THE AUDIENCE (3 minute time limit)

COMMENTS OF THE CITY STAFF

COMMENTS OF THE COMMISSION

ADJOURNMENT

Next Regular Meeting is **Wednesday, May 27 at 5:30 p.m.** All meetings scheduled to be held in the City Hall Cowles Council Chambers located at 491 E. Pioneer Avenue, Homer, Alaska and via Zoom Webinar.

CALL TO ORDER, 5:30 P.M.

Session 26-03, a Regular Meeting of the Port and Harbor Advisory Commission was called to order by Chair Casey Siekaniec at 5:30 p.m. on March 25, 2026, in the City Hall Cowles Council Chambers located at 491 E. Pioneer Avenue, Homer, Alaska and via Zoom Webinar.

PRESENT: COMMISSIONERS ATWOOD, ROTH, PITZMAN, SIEKANIEC, VELSKO,
BRADSHAW

ABSENT: COMMISSIONER FRIEND (excused)

CONSULTING: PORT DIRECTOR HAWKINS

STAFF: DEPUTY CITY CLERK LYNN

1. AGENDA APPROVAL

Chair Siekaniec read the supplemental items into the record and requested a motion and second to approve the agenda as amended.

MOVED TO APPROVE THE AGENDA AS AMENDED.

There was no discussion.

VOTE: NON-OBJECTION: UNANIMOUS CONSENT.

Motion carried.

2. PUBLIC COMMENTS UPON MATTERS ALREADY ON THE AGENDA (3 minute time limit)

3. RECONSIDERATION

4. APPROVAL OF MINUTES

5.B. Unapproved February 2026 PHC Minute

MOVED TO APPROVE THE MINUTES.

There was no discussion.

VOTE: NON-OBJECTION: UNANIMOUS CONSENT.

Motion carried.

5. VISITORS/PRESENTATIONS

6. STAFF & COUNCIL REPORT/COMMITTEE REPORTS

6.A. Port & Harbor FY26 YTD

- Discussed the correction of a meeting date from August 27th to September 24th, and the approval of September 2025 meeting minutes. Staff presented a comparison of harbor mortgage rates across Alaska, showing Homer's daily rate of \$1.90 per foot is higher than other harbors, and shared a proposed rate table for 2026 with a CPI increase. The discussion covered the completion of a geotechnical investigation by Hyrex Fanchen, and an invitation to bid process for cold storage units at the ice plant closing on the 30th. The conversation ended with an announcement that the Harbormasters office will no longer be open on Saturdays starting next summer, with staff seeking feedback on minimizing customer impact.

6.B. Port & Harbor Staff Report – October 2025

- Discussed staffing on Saturdays, confirming it's typically one admin, and William expressed support for a phone tree system if it connects to a real person. The group reviewed the council meeting schedule, noting a potential conflict with the EDC meeting on November 12th, and agreed to discuss rescheduling at the end of the meeting. Updates were provided on several special projects, including the selection of a contractor for the ICE metering system installation and positive developments regarding the System 4 float replacement, with engineers from RESPEC completing fieldwork and awaiting their report.

7. PUBLIC HEARING(S)

8. PENDING BUSINESS

A. Proposed changes to Port and Harbor Terminal Tarriff No. 1

PITZMAN/ATWOOD MOVE TO RECOMMEND THE TARIFF AS ITS CURRENTLY CONFIGURED TO CONSIDERATION BY THE CITY COUNCIL.

Chair Siekaniec Request the clerk to Perform a Roll Call Vote

VOTE: YES: ATWOOD, PITZMAN, SIEKANIEC, VELSKO,

VOTE: NO: ROTH

There was no discussion

Motion carried.

9. New Business

9.A. 2026 Commission Meeting Schedule

ROTH/PITZMAN MOVED TO APPROVE THE 2026 COMMISSION MEETING SCHEDULE AS WRITTEN.

There was no discussion.

VOTE: NON-OBJECTION: UNANIMOUS CONSENT.

Motion carried.

10. INFORMATIONAL MATERIALS

10.A. September 2025 Port Operations Report

10.B. Q2 Statistics for the Homer Harbor

10.C. September City Managers Report to council

11. COMMENTS OF THE AUDIENCE (3 minute time limit)

- Robert Roth, City resident, talks about his concerns for the harbor and makes a point to talk about lowering the harbor rates.
- Mary Grizwald Homer Harbor User points out errors on the previous months' minutes to be corrected.
- Steve Roth opposes rate increases and is in favor of building a new steel grid for boat maintenance. Roth thanks the commission for their hard work.

12. COMMENTS OF THE CITY STAFF

- Harbor director Hawkins clarifies that the rate increases in the harbor are simply inflation .

-

13. COMMENTS OF THE MAYOR/COUNCILMEMBER

14. COMMENTS OF THE COMMISSION

Commissioner Atwood thanked the city staff for all their hard work, adding that it was a good meeting.

Commissioner Pitzman appreciates Commissioner Roth bringing up questions and debating.

15. ADJOURNMENT

There being no further business to come before the Commission, Chair Siekaniec adjourned the meeting at 6:27 p.m. The next Regular Meeting is Wednesday, April 22, 2026, at 5:30 p.m. All meetings scheduled to be held in the City Hall Cowles Council Chambers located at 491 E. Pioneer Avenue, Homer, Alaska and via Zoom Webinar.

Scott Lynn, Deputy City Clerk I

Approved:_____



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Memorandum

To: Port and Harbor Advisory Commission
From: Byran Hawkins, Port Director
Date: April 15, 2026
Subject: Port and Harbor Staff Report

Status – Large Vessel Marine Repair Facility

Spring operations are underway in the boatyards. Following a long winter, vessel owners are actively completing maintenance and returning vessels to service, resulting in high yard utilization and tight scheduling.

We anticipate the lagoon-side yard will be clear on the next favorable tides, allowing staff to resume groundwork initiated last fall and begin re-establishing campsites. The remainder of the yard is expected to clear by mid-May, enabling surface preparation and camp setup in advance of Memorial Day weekend.

Financial Plan Update

Staff are developing an all-system replacement cost inventory for Port and Harbor facilities. A master spreadsheet has been updated, and harbor float replacement values are being benchmarked using recent Southcentral Alaska projects.

Preliminary cost estimates are also being developed for major assets including the Fish Dock/Ice Plant, Pioneer Dock, Deep Water Dock, high mast lighting, restrooms, and other core infrastructure.

These figures are planning-level estimates. While float replacement costs can be reasonably benchmarked, other facility costs will carry greater uncertainty due to limited comparable data.

Upon completion of the inventory, staff will transition to reserve planning and long-term financial strategy development. The intent is to establish a full system replacement value in current dollars, which can then inform a structured replacement schedule and defensible reserve targets.

The financial resilience of the enterprise fund is fundamentally tied to reserve adequacy. This analysis will support development of an evidence-based reserve policy target.



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Staff are also identifying what additional resources may be required to complete a full cost-of-service and financial planning framework.

Port Moorage Daily Rate Structure Review

Staff continue work on the moorage rate structure review. This is a comprehensive analysis requiring additional time.

Options will be presented to the Commission at the May meeting.

Food Truck Lease Update

Staff are evaluating the potential development of a small food truck court on Port property. Site options, infrastructure needs, and supporting agreements are under review.

An update will be provided at the May meeting.

Small Vessel Insurance Requirements

Two follow-up actions were identified:

- Evaluate whether the Port and Harbor Enterprise could provide liability coverage options for vessels unable to obtain private insurance.
- Compile a list of insurance providers offering coverage for small craft for distribution upon request.

Providing insurance directly is not consistent with the current Tariff. Staff will not pursue development of a port-administered insurance program.

Efforts will instead focus on identifying and sharing available private-market insurance options.

Per Tariff Section 5.04:

INSURANCE – Rates named in the Tariff do not include insurance of any kind. The City of Homer shall be under no obligation to provide any insurance of any type for any vessel, cargo, or liability arising out of use of the City docks or Terminal facilities. Terminal facility users shall comply with applicable insurance requirements in this Tariff and the Homer City Code or Alaska Statutes.



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Harbor 1-Hour Parking - Boat House Pavilion

Staff will install signage prior to Memorial Day designating three (3) one-hour parking spaces in the harbor lot to improve short-term loading and unloading access.



MEMORANDUM

CC-26-078

Resolution 26-024, A Resolution of the City Council of Homer, Alaska Concurring with and Endorsing Alternative 2 as the Tentatively Selected Plan for the Homer Harbor Expansion General Investigation Study as Recommended by the U.S. Army Corps of Engineers.

Item Type: Backup Memorandum
Prepared For: Mayor and City Council
Date: April 8, 2026
From: Jenny Carroll, Special Projects & Communications Coordinator and Bryan Hawkins, Port Director
Through: Melissa Jacobsen, City Manager

PURPOSE

This memorandum provides backup information for City Council consideration of Resolution 26-024 endorsing and concurring with the US Army Corps of Engineers' recommendation of Alternative 2 as the Tentatively Selected Plan (TSP) for the Homer Harbor Expansion General Investigation Study.

BACKGROUND

The U.S. Army Corps of Engineers (USACE) and the City have been advancing the General Investigation to evaluate five different alternatives to alleviate overcrowding and navigational safety concerns in Homer's Port and Harbor. The analysis includes fleet demand, environmental assessments and ecological modeling, geotechnical investigation and economic modeling, working toward the Tentatively Selected Plan (TSP) Milestone, where an alternative is selected to be further developed in the Draft and eventual final Feasibility Report.

Initially, the PDT selected Alternative 1B as their recommended plan. After the PDT presented their recommendation to the City for consideration, City Council held a Special Meeting on June 2, prior to the July 23 USACE TSP Milestone meeting to review the TSP recommendation, and selected Alternative 2.

At the July 23, 2025 TSP meeting with USACE Pacific Ocean Division leadership, the PDT presented their recommendation (Alternative 1B), the calculations supporting it and endorsed moving Alternative 2 forward as a Locally Preferred Plan. Under USACE policy, the City would have been required to cover the cost difference from Alternative 1B.

General Goetz, Commander of the Pacific Ocean Division, gave only tentative approval for Alternative 2 and directed the PDT to complete additional work before finalizing the recommendation. His directives included: completing economic analysis under the Remote and

Subsistence Harbors authorization, updating the breakwater cross-section design after receiving geotechnical boring results, refining the environmental model, and reevaluating the recommended plan after completing these tasks.

UPDATED ANALYSIS

Since July 2025, the PDT has addressed General Goetz's requirements and navigated new federal requirements mandating that all General Investigation studies complete 35% design (up from the previous 15% requirement). The PDT has now completed updated analysis incorporating:

- Geotechnical data and findings
- Refined breakwater design specifications
- Updated economic and environmental models
- Revised cost estimates.

On March 25, 2026, the PDT presented the results of this updated analysis to City staff in Anchorage, explaining how the new data affected the Alternatives Analysis. Based on this comprehensive analysis, the PDT is recommending Alternative 2 as the Tentatively Selected Plan. An overview of the updated analysis will be presented during an in-person HHE Quarterly Update at the April 13, 2026 City Council Committee of the Whole meeting.

The USACE requested the City's concurrence with Alternative 2 as the recommended plan or to designate an alternative locally preferred plan so they can proceed with completing the Draft Feasibility Report, scheduled for release for public comment and agency review on May 22, 2026.

The proposed resolution endorses and concurs with Alternative 2 as the Tentatively Selected Plan for the Homer Harbor Expansion General Investigation Study.

Key considerations:

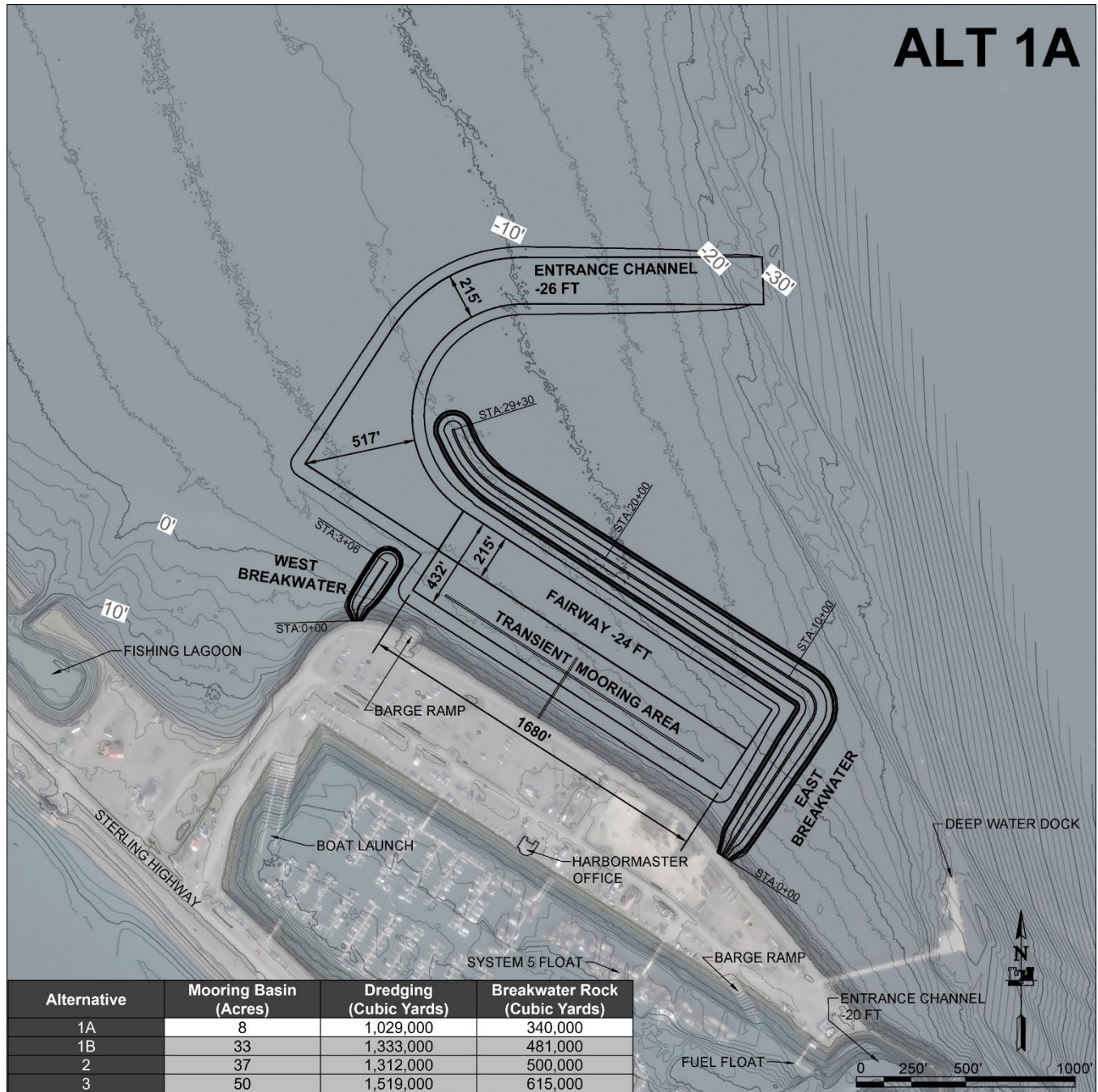
- Maintains consistency with Council's previous June 2, 2025 selection.
- Eliminates Buy-Up Requirement: Alternative 2 removes the buy-up requirement that was present prior to the TSP re-evaluation.
- Public Comment Opportunity: The Draft Feasibility Report will be released for public and agency review in May 2026, providing opportunity for community input before the study is finalized.
- Does not constitute a commitment of City funds. Any future local financial participation will require completion of the Chief's Report (tentatively scheduled for March 2027) and separate Council authorization.

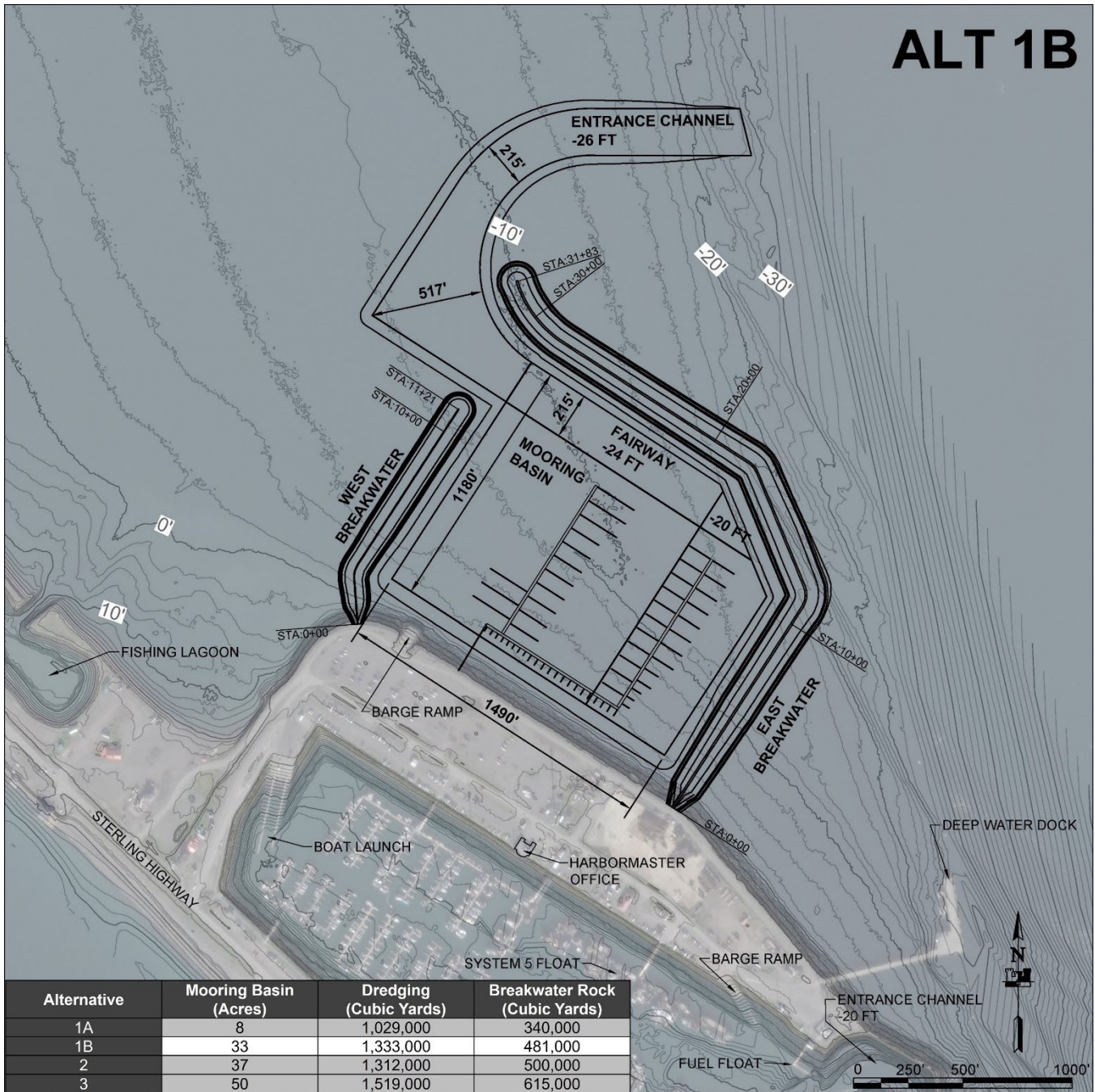
STAFF RECOMMENDATION

Approval of the resolution endorsing and concurring with Alternative 2 as the Tentatively Selected Plan for the Homer Harbor Expansion General Investigation Study.

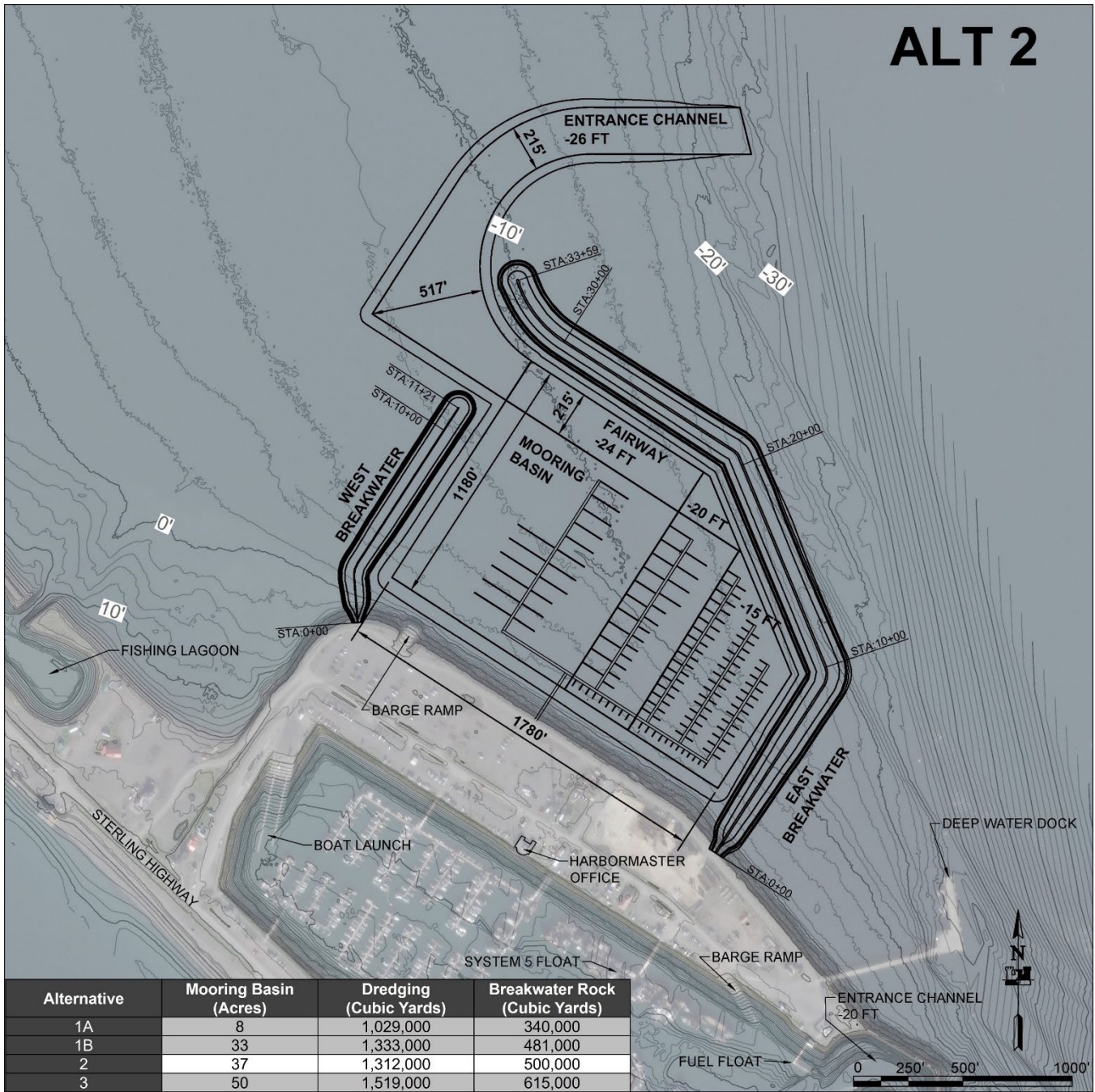
ATTACHMENTS

Illustrations of Alternatives 1A, 1B, 2, and 3

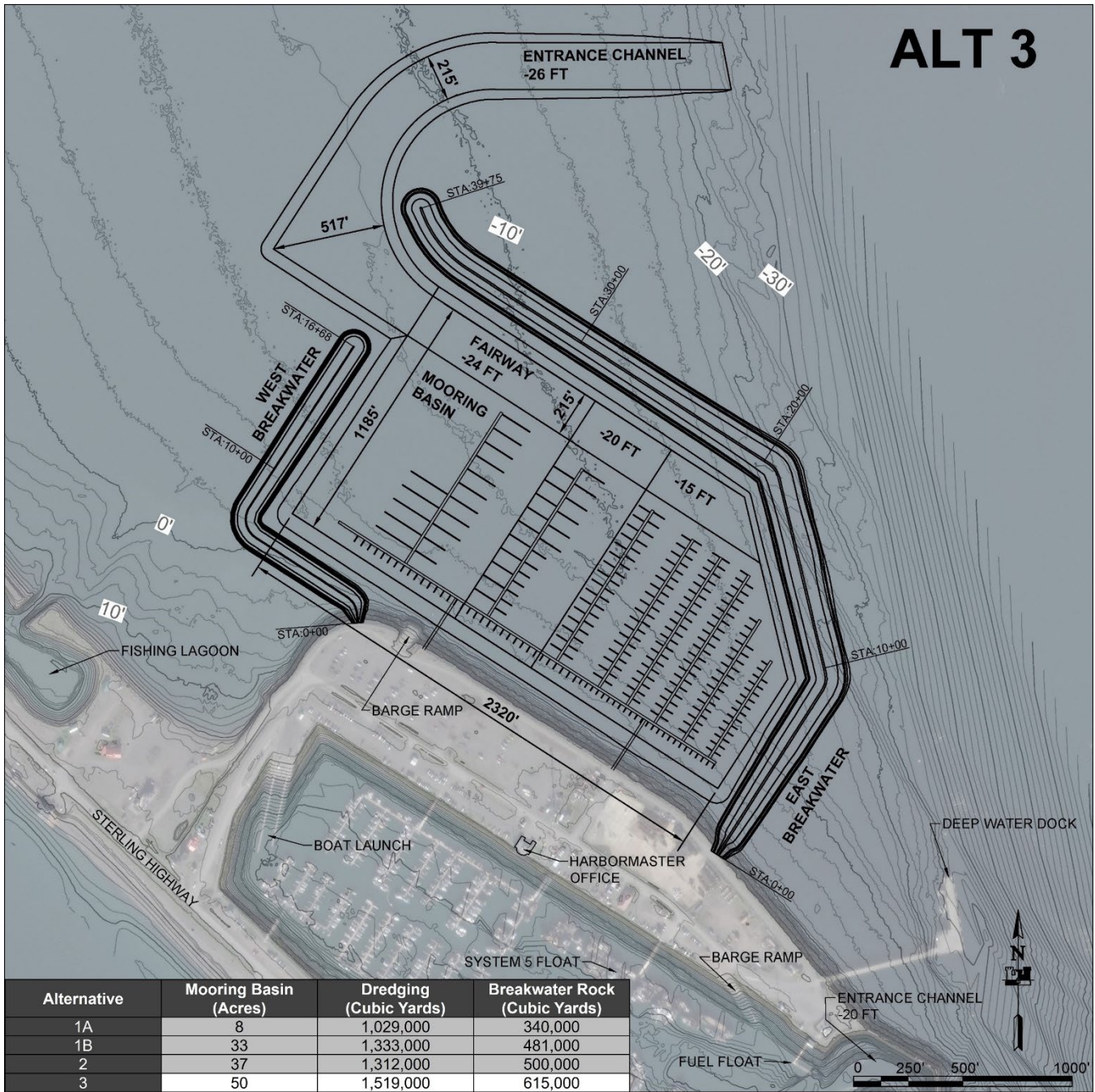




ALT 2



Alternative	Mooring Basin (Acres)	Dredging (Cubic Yards)	Breakwater Rock (Cubic Yards)
1A	8	1,029,000	340,000
1B	33	1,333,000	481,000
2	37	1,312,000	500,000
3	50	1,519,000	615,000



1 **CITY OF HOMER**
2 **HOMER, ALASKA**

3 Mayor/Council

4 **RESOLUTION 26-024**

5
6 A RESOLUTION OF THE CITY COUNCIL OF HOMER, ALASKA
7 CONCURRING WITH AND ENDORSING ALTERNATIVE 2 AS THE
8 TENTATIVELY SELECTED PLAN FOR THE HOMER HARBOR
9 EXPANSION GENERAL INVESTIGATION STUDY AS RECOMMENDED
10 BY THE U.S. ARMY CORPS OF ENGINEERS.

11
12 WHEREAS, Homer City Council has identified the Homer Harbor Expansion as its top
13 Legislative Priority project in the Capital Improvement Project (CIP) for many years; and

14
15 WHEREAS, On March 29, 2023 the City of Homer entered into a Federal Cost Share
16 Agreement with the US Army Corps of Engineers to engage in a General Investigation study to
17 provide an economic, environmental, geophysical and engineering analysis of design solutions
18 to alleviate capacity constraints and navigational safety concerns in Homer Port and Harbor;
19 and

20
21 WHEREAS, Homer City Council Ordinance 20-06 appropriated local sponsor match
22 funds required to initiate the U.S. Army Corps of Engineers General Investigation study and
23 Homer City Council Ordinance 24-05 appropriated additional match funds required to
24 continue the investigation under an expanded scope per updated U.S. Army Corps of Engineers
25 guidance; and

26
27 WHEREAS, The State of Alaska, through two Designated Legislative Grants is sharing in
28 50% of the local sponsor match requirement of the General Investigation; and

29
30 WHEREAS, The U.S. Army Corps of Engineers' Project Development Team has
31 completed comprehensive analysis including fleet demand analysis, environmental
32 assessments, geotechnical investigations, economic modeling, and evaluation of multiple
33 design alternatives; and

34
35 WHEREAS, The Project Development Team presented their updated alternatives
36 analysis on March 25, 2026 in Anchorage, Alaska, and has determined that Alternative 2 is their
37 recommended Tentatively Selected Plan; and

38
39 WHEREAS, The U.S. Army Corps of Engineers has requested the City identify a preferred
40 alternative, either by concurring with the recommended Alternative 2 or by identifying an
41 alternative locally preferred plan, prior to the U.S Army Corps of Engineers completing the
42 Draft Feasibility Report; and

44 WHEREAS, The Homer City Council reviewed the initial alternatives analysis and
45 selected Alternative 2 as the City's locally preferred plan at a Special Meeting on June 2, 2025,
46 and reviewed the updated alternatives analysis at a Committee of the Whole meeting on April
47 13, 2026.

48
49 NOW, THEREFORE, BE IT RESOLVED that the City Council of Homer, Alaska hereby
50 endorses and concurs with Alternative 2 as the Tentatively Selected Plan for the Homer Harbor
51 Expansion General Investigation study, as recommended by the U.S. Army Corps of Engineers.

52
53 PASSED AND ADOPTED by the Homer City Council this 13th day of April, 2026.

54
55 CITY OF HOMER

56
57
58
59
60 _____
61 RACHEL LORD, MAYOR

62 ATTEST:

63
64 _____
65 AMY WOODRUFF, CITY CLERK



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Memorandum

To: Port and Harbor Advisory Commission
From: Bryan Hawkins, Port Director
Date: April 15, 2026
Subject: Homer Harbor Expansion Update
TSP (Tentatively Selected Plan) Alternative 2

The United States Army Corps of Engineers (USACE) Project Development Team (PDT) has completed its technical and economic evaluation for the Homer Harbor Expansion study, including fleet demand analysis, environmental review, geotechnical investigation, and alternatives analyses.

On March 25, 2026, the PDT presented its findings to the Mayor and City staff in Anchorage. Based on this analysis, USACE identified Alternative 2 as the preferred Tentatively Selected Plan (TSP).

Alternative 2 relocates larger vessels from the existing small boat harbor, freeing capacity and improving circulation within the system. It also reconstructs System 5 to serve small and mid-sized vessels, providing a mechanism to address the existing stall waitlist in the small boat harbor.

Currently, the small boat harbor wait list accommodates vessels up to 86 feet; vessels exceeding this length are required to use transient moorage on System 5.

The project is intended to accomplish three primary objectives: provide dedicated moorage for the large vessel fleet, expand capacity to accommodate growth in that sector, and address the existing small boat harbor stall waitlist through reconstruction and reconfiguration of existing facilities.

USACE requested concurrence from the City Council on the preferred alternative prior to completion of the Draft Feasibility Report.

On April 13, 2026, the City Council approved Resolution 26-024, formally endorsing Alternative 2 as the Tentatively Selected Plan for the Homer Harbor Expansion study and providing the requested direction to USACE.



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May 2026 – Draft Feasibility Report (Public Review)

USACE is expected to release the Draft Feasibility Report in May, initiating a 30-day public review and comment period. This represents a shorter timeframe than is typical for a project of this scale and complexity.

The compressed review period results from prior direction by USACE Headquarters to advance the level of design from 15 percent to 35 percent while maintaining the existing project schedule and budget. In addition, the timing of geotechnical data delivery in January 2026 was critical to completion of breakwater design and cost estimates, further influencing the project schedule.

Maintaining alignment with the USACE project schedule is in the City's interest, as it supports timely progression through the federal review process and positions the project for consideration within upcoming congressional authorization and funding cycles.

Attachments:

Memorandum CC-26-078 Endorsing Alternative 2 as the TSP for HHE

Resolution 26-024 Endorsing Alternative 2 as the TSP for HHE



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April 2026 Operations Report

Harbor Operations

- Harbor occupancy is currently just over 400 vessels.
- Marine Repair Facility has 6 vessels.
- Harbor ice has melted away completely, and we had a successful Winter King Tournament.
- Vessel landings at the Deep Water and Pioneer Docks include: USCG Aspen, Endeavor, Ann T Cheramie, Millennium Falcon, Perseverance, Kate Frances, and the Ross Chouest.
- The AMHS Ferry Kennicott should begin summer operations at the end of April.
- Staff pumped out one vessel that was taking on water.
- Staff responded to one EMS call.
- Two seasonal Parking Enforcement and two Harbor Assistant personnel have been hired.
- The Load and Launch Ramp is now open for fee pay.

Port Maintenance

- Ongoing electric pedestal maintenance.
- Ongoing Docks and Harbor infrastructure inspections and repairs.
- Keeping up with recurring monthly work orders.
- Used oil collecting and processing.
- Snow removal equipment service, operational checks and seasonal changeovers.
- Assisted operations with campground setup and kiosk placement.
- New staff training and orientation.
- Harbor dock cart repair and refurbishing.

Ice Plant

- Ice plant now is selling ice.
- Washing the dock and other related maintenance on dock.



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- Bait locker has bait beginning to be stored.
- New Ice production and delivery panels installation ongoing.
- Ongoing crane inspections and service happening this month.
- Keeping up with work orders.
- Building and grounds spring maintenance.



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Port & Harbor Special Project Status Update - April 2026

PROJECT DESCRIPTION	ORDINANCE	STATUS	COMMENTS
Patrol Truck	23-23(A-3)	Complete	
Spare Deep Water Dock Fender Timbers	26-15	Open	Ordered
Steel Grid Engineering Assessment	25-51	Open	In progress. Expecting to have an update May 2026.
Lot 12B Drywell Installation	25-50	Open	In progress
Load & Launch Ramp Improvements	25-49	Open	In progress
USCG Berth Space Maintenance - FY26 Only	25-48	Open	In progress. Work has been outsourced to AK Industrial Services. Working on cost estimate, will likely require additional funding.
Crane Control Software	25-39	Open	In progress. Note, this is not a part of the IT security software upgrades.
Replacement Handheld Computers	25-39	Closed	
Repairs to Fish Dock Fendering	25-39	Open	In progress. Items ordered. Repairs planned for Fall 2026.
High Mast Light Inspection & Service	25-39, 25-60	Open	In progress. Planned for Fall 2026.
Air Filled Floats - DD System 4	25-33	Complete	
Float Replacement Design (Match Denali Commission)	25-17(S)	Open	50/50 match. Still in contract negotiations/design planning and insurance contracting. No timeline yet. Working with JDO and Turnagain Marine to get the design build contract signed so that we can start working on the 100% float replacement design.
Camera Poles 1-5 Electrification	25-16	Complete	
Fish Grinder Motor & Gearbox	25-05	Complete	



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Campground Items	24-24(A)	Complete	
Ice Metering System	23-23(A-3)	Open	Close to being completed.
Electrical Works for Sewage Lift Station – Fish Grinder	23-23(A-3)	Complete	
Paid Parking Program Expansion – Planning & Permitting	23-23(A-3)	Open	
Deep Water Dock Fender Repair	25-34, 25-53	Complete	
Tract 2 Fishing Hole Drywell	25-58	Open	Worked with Public works last fall to establish a grade for that entire lot that drains the puddles. As soon as the tugs launch, we will top with D1, final grade, compact and then set up the campsites for summer.
Homer Harbor Expansion	Multiple	Open	HDR HHE Owners Representative Phase 1 contract is complete. Staff will be putting forth a budget to Council recommending that we enter into Phase II sometime in May.
PIDP Grant for System 4 Float Replacement		Pending	Waiting to hear on Notice of Award from DOT Maritime Administration (MARAD). Spoke with the MARAD Gateway Director late in March and we still don't have a timeline estimate for when we'll find out if our project is going to be funded.



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Memorandum

TO: Mayor Lord and Homer City Council
FROM: Melissa Jacobsen, City Manager
DATE: April 8, 2026
SUBJECT: City Manager's Report for April 13, 2026 Council Meeting

Airport Terminal Update

On March 23rd a water line break caused flooding in the Homer Airport Terminal. The building was closed to the public and remediation efforts got underway quickly. Bald Mountain Air was able to provide space for Aleutian Air to process passengers until the eastern portion of the terminal was able to re-open March 31st. As of April 2nd building restoration crews had completed most of the initial cleanup and stabilization work at the terminal. Flooring has been cleaned, and damaged base molding, sheetrock, and insulation have been removed to allow full drying of the walls. Industrial dehumidifiers remain in place and continue to reduce residual moisture. Water damage assessment continues in the portion of the building that remains closed to the public, and the City is actively looking at solutions for airport tenants should repair and construction carry into the summer months.

With the limited reopening of the facility, public access is available at the northeast entrance with the interior screened to allow use of the ticket counter area only. Aleutian Air, Pioneer Car Rental, and Alaska Bus Company have resumed operations within the terminal under this configuration. We believe this setup can be operated safely on an interim basis while we await further evaluation from our engineers. Porta-potties have been placed at the terminal, two egress points are available, and staff have been instructed to evacuate the building immediately in the event of any seismic activity.

Ditch and Culvert Winter Maintenance

Our usually long stretch of single-digit cold weather days with minimal snow has kept Public Works Staff and the Steam Truck busy as we move through the breakup season and into spring. Frost has been measured up to 8 feet deep in some areas and is causing more issues with glaciation and flooding than usual. Public Works is maintaining a list of frozen culverts and ditches as they are reported by residents and crews respond as quickly as possible, but with these unusual conditions, the ice is filling back up within a matter of days. But why do the ditches and culverts keep filling up? The Homer hillside continuously vents groundwater to the ground surface year-round, even in winter, and the water then flows down through drainages and ditches. During more typical winters, this groundwater flow is not as obvious because snow covers it and provides insulation, so the water keeps flowing. We appreciate the community's support and patience as crews work on the ditches and culverts.

Public Comment Periods are Open for the HERC ABCA and Title 21 Update

Just a reminder that the draft Analysis of Brownfields Cleanup Alternatives (ABCA) for the Homer Education and Recreation Complex (HERC) and the Title 21 Public Review Draft are available for public comment before they are finalized. Public notice of both comment periods is being provided through local media outlets, the City website <https://www.cityofhomer-ak.gov/> and social media [@cityofhomerak](https://twitter.com/cityofhomerak), fliers, etc.

A digital copy of the ABCA is available at <https://dec.alaska.gov/spar/csp/brownfields/assessment-cleanup/dbac-projects/homer-herc-abca/>. The public comment period is open until 5 pm April 24, 2026.

The Title 21 public review draft is available at <https://homert21codeupdate.com/>. The public comment period is open through May 15, 2026.

Easement Clearing for the Raw Water Transmission Line Project

In the last City Manager’s report I shared information that the Raw Water Transmission Line Project was kicking off on April 1st. The first items of business have been to survey the easement and clear the vegetation and trees that have grown in over the past 50-60 years since the first transmission line was built. During the course of the project we’ll be preserving the top soil seed bed so existing plants can regrow, after the new transmission line replacement is completed. If additional supplementation is needed to stabilize the soil, we’ll work to ensure that an appropriate seed mix for this area is used. The anticipated completion date is October 2026.



Closing on the First NOAA Grant Property

Success! The City of Homer closed on a 26.5 acre conservation property, purchased with NOAA grant funds. The project was in partnership with the Kachemak Bay National Estuarine Research Reserve and the Kachemak Heritage Land Trust.



Old Police Department Building

In 2020 the new Police Department (PD) building was completed and the department moved over from the old PD located behind the Homer Volunteer Fire Department (HVFD). After the move was completed the HFVD began using the building for storage and training. The old PD building was constructed in 1979, and has shown its age for a while. In early March when Homer experienced some high wind events, Public Works discovered some metal roofing from the building on the sidewalk. Public Works is working compiling information on the status of the roof in anticipation of a future budget request for some needed repairs.

Conversations about a Parking Lot on Homer Spit Lot 88-2

At a recent Port and Harbor Advisory Commission (PHAC) meeting the Commission had a spot on their agenda to talk about highest and best use of City owned property on the Spit. Because parking around the harbor is a big topic for the Commission to discuss, conversations about land use shifted to parking and one of the areas that was discussed was Lot 88-2 that currently holds a short-term lease with La Baleine Café, along with two other short-term leases. The Commission discussed the needs and benefits of the different services around the Port and Harbor, and also talked about another area across the street that had been considered to expand parking some years back, but was denied for that use. In the end a motion was made in support of the notion of Lot 88-2 being transitioned to parking. Following that meeting the City Clerk's office received a significant amount of public input against developing parking in that location and copies of the written comments are attached to this report. I met with the owners of La Baleine Café to assure them that Council has not taken any action to change any use on Lot 88-2 and affirming that they have a lease in place through the end of the year. As I've already mentioned, parking on the Spit is always a hot topic. I just want to take this opportunity to reinforce that before any changes in land use happen on the Spit, there will be a public process through the PHAC and City Council.

Attachment:

Written Public Comments

Port and Harbor Fund
Expenditure Report
Actuals through February 2026
67% Fiscal Year Elapsed

Current Fiscal Analysis

	FY26		FY26 YTD	
	ADOPTED		ACTUAL	
	BUDGET		\$	%
Revenues				
Administration	\$ 741,793	\$ 585,962	79%	
Harbor	4,269,962	3,445,396	81%	
Pioneer Dock	351,663	267,962	76%	
Fish Dock	614,006	644,325	105%	
Deep Water Dock	170,000	134,261	79%	
Outfall Line	2,400	4,800	200%	
Fish Grinder	8,000	9,330	117%	
Load and Launch Ramp	130,000	56,662	44%	
Total Revenues	\$ 6,287,824	\$ 5,148,697	82%	
Expenditures & Transfers				
Administration	\$ 1,325,915	\$ 857,888	65%	
Harbor	1,454,590	979,947	67%	
Pioneer Dock	105,242	64,772	62%	
Fish Dock	915,281	606,507	66%	
Deep Water Dock	120,895	97,605	81%	
Outfall Line	19,000	2,410	13%	
Fish Grinder	47,039	33,843	72%	
Parking	211,631	94,222	45%	
Camping	119,070	70,666	59%	
Harbor Maintenance	492,573	320,485	65%	
Main Dock Maintenance	40,858	23,221	57%	
Deep Water Dock Maintenance	51,358	30,984	60%	
Load and Launch Ramp	118,899	89,251	75%	
Total Operating Expenditures	\$ 5,022,351	\$ 3,271,803	65%	
Transfer to Other Funds				
Leave Cash Out	\$ 59,849	\$ -	0%	
GF Admin Fees	-	-	0%	
Debt Service	-	-	0%	
Other	248,498	-	0%	
Total Transfer to Other Funds	\$ 308,348	\$ -	0%	
Transfers to Reserves				
Harbor	\$ 957,125	\$ -	0%	
Load and Launch Ramp	-	-	0%	
Total Transfer to Reserves	\$ 957,125	\$ -	0%	
Total Expenditures & Transfers	\$ 6,287,824	\$ 3,271,803	52%	
Net Revenues Over(Under) Expenditures	\$ 0	\$ 1,876,895		

FUND 400 - PORT & HARBOR ENTERPRISE FUND						
REVENUE DETAIL BY LINE ITEM, SORTED BY TYPE						
A/C Num.	Revenue Categories & Descriptions	FY24	FY25	FY26 YTD		FY26
		7/1/23 - 6/30/24	7/1/24 - 6/30/25	ACTUAL		7/1/25 - 6/30/26
		ACTUAL	ACTUAL	\$	%	BUDGET
0600	HARBOR ADMINISTRATION					
4515	Ferry Lease	18,000	18,000	18,000	100.0%	18,000
4650	Rents & Leases	625,649	627,470	294,185	57.6%	511,000
	Operating Revenue - Admin	643,649	645,470	312,185	59.0%	529,000
4527	PERS Revenue	40,694	66,614	-	0.0%	-
4634	Port Storage Fee	172,016	228,698	119,048	71.7%	166,000
4635	Port Impound Fee	2,017	1,020	-	0.0%	1,000
4705	Business Licenses	30	50	15	0.0%	-
4801	Interest On Investments	140,244	(8,168)	-	0.0%	-
4901	Surplus Property	-	(0)	-	0.0%	1,000
4902	Other Revenue	(0)	20,800	-	0.0%	44,793
4990	Transfers In	-	140,088	-	0.0%	-
	Non-Operating Revenue - Admin	355,001	449,102	119,063	56.0%	212,793
0601	HARBOR					
4245	Waste Oil Disp	-	300	-	0.0%	-
4249	Oil Spill Recovery	-	-	-	0.0%	-
4318	Parking Revenue	178,961	250,365	127,353	56.6%	225,000
4319	Electrical Supplies	1,014	1,193	290	19.3%	1,500
4402	Non Moving Fine	12,219	10,448	21,443	357.4%	6,000
4607	Camp Fees	(3,004)	-	-	0.0%	-
4624	Berth Transient Monthly	748,679	746,186	384,504	62.8%	612,544
4625	Berth Reserved	1,779,007	1,911,464	1,963,603	99.4%	1,974,495
4626	Berth Transient Annual	361,422	341,822	249,826	69.5%	359,430
4627	Berth Transient Semi Annual	152,941	150,266	38,757	23.0%	168,873
4628	Berth Transient Daily	170,279	193,593	128,172	76.8%	166,967
4629	Metered Energy	146,080	116,800	52,906	36.2%	146,080
4644	Pumping	-	163	-	0.0%	-
4645	Wooden Grid	4,912	10,359	4,647	92.9%	5,000
4646	Commerical Ramp	65,949	62,063	26,234	47.7%	55,000
4647	Berth Wait List	13,425	13,763	4,413	30.3%	14,573
4648	Steel Grid Fees	2,605	-	-	0.0%	-
4654	Spit Camping	208,244	209,576	126,291	63.1%	200,000
4663	Trans Energy 110v	45,349	34,621	22,539	53.7%	42,000
4664	Trans Energy 220v	29,451	24,629	10,677	48.5%	22,000
4665	Trans Energy 208v	193,837	148,143	45,919	28.7%	160,000
4666	Commerical Ramp Wharfage	67,069	56,973	29,099	67.7%	43,000
	Operating Revenue - Harbor	4,178,439	4,282,728	3,236,675	77.0%	4,202,462
4802	Penalty/Int	14,884	17,266	10,786	165.9%	6,500
4902	Other Revenue	67,272	73,179	34,515	56.6%	61,000
	Non-Operating Revenue - Harbor	82,156	90,446	45,301	67.1%	67,500
0602	PIONEER DOCK					
4631	USCG Leases	40,495	40,228	20,327	58.1%	35,000
4637	Seafood Wharfage-PD	-	-	-	0.0%	-
4638	PD Fuel Wharfage	193,311	227,073	186,579	70.2%	265,663
4639	Pioneer Dock - Wharfage	-	-	-	0.0%	-
4641	PD Water Sales	6,908	6,365	2,207	24.5%	9,000

FUND 400 - PORT & HARBOR ENTERPRISE FUND						
REVENUE DETAIL BY LINE ITEM, SORTED BY TYPE						
A/C Num.	Revenue Categories & Descriptions	FY24	FY25	FY26 YTD		FY26
		7/1/23 - 6/30/24	7/1/24 - 6/30/25	ACTUAL		7/1/25 - 6/30/26
		ACTUAL	ACTUAL	\$	%	BUDGET
4642	PD Docking	45,052	50,538	20,553	48.9%	42,000
	Operating Revenue - Pioneer Dock	285,767	324,204	229,665	65.3%	351,663
0603	FISH DOCK					
4620	Ice Sales	341,209	316,385	356,953	119.0%	300,000
4621	Cold Storage	24,603	26,264	33,887	135.5%	25,000
4622	Crane Rental	201,470	198,538	89,933	47.3%	190,306
4623	Card Access Fees	5,933	5,881	2,407	42.2%	5,700
4637	Seafood Wharfage	24,621	19,742	7,090	39.4%	18,000
4700	Other Wharfage Fish Dock	68	-	-	0.0%	-
	Operating Revenue - Fish Dock	597,903	566,810	490,269	91.0%	539,006
4206	Fish Tax	78,772	122,599	121,866	162.5%	75,000
0604	DEEP WATER DOCK					
4633	Stevedoring	9,834	16,964	9,404	94.0%	10,000
4637	Seafood Wharfage	-	-	253	0.0%	-
4640	Deep Water Dock Wharfage	8,402	30,210	11,833	39.4%	30,000
4643	Deep Water Dock Docking	113,278	185,490	77,739	77.7%	100,000
4668	Dwd Water Sales	20,424	40,205	19,079	63.6%	30,000
4672	Port Security Revenues	-	-	-	0.0%	-
	Operating Revenue - DW Dock	151,937	272,869	118,308	69.6%	170,000
0605	OUTFALL LINE					
4704	Outfall Line	4,800	4,800	0	0.0%	2,400
0606	FISH GRINDER					
4706	Fish Grinder	10,393	6,670	9,330	116.6%	8,000
0615	LOAD AND LAUNCH RAMP					
4653	L & L Ramp Revenue	145,410	124,604	55,818	42.9%	130,000
	Operating Revenue - L & L Ramp	145,410	124,604	55,818	42.9%	130,000
	Total Revenues	6,534,227	6,890,301	4,738,480	75.4%	6,287,824
	Net Surplus (Deficit)	1,007,205	1,105,775	2,131,351		0

FUND 400 - PORT & HARBOR ENTERPRISE FUND						
COMBINED EXPENDITURES						
A/C Num.	Expenditure Categories & Descriptions	FY24	FY25	FY26 YTD		FY26
		7/1/23 - 6/30/24	7/1/24 - 6/30/25	ACTUAL		7/1/25 - 6/30/26
		ACTUAL	ACTUAL	\$	%	BUDGET
Salaries and Benefits						
5101	Salary and Wages	1,379,157	1,535,141	794,289	51.0%	1,556,759
5102	Fringe Benefits	884,305	910,148	469,679	51.8%	907,059
5103	Part-time Wages	122,103	177,324	155,268	67.5%	229,894
5104	Part-time Benefits	14,232	20,931	18,921	41.5%	45,550
5105	Overtime	29,580	36,194	30,394	71.7%	42,416
5107	Part-time Overtime	460	986	2,376	61.2%	3,879
5108	Unemployment Benefits	4,932	1,606	-	0.0%	-
5112	PERS Relief	40,694	66,614	-	0.0%	-
	Total Salaries and Benefits	2,475,462	2,748,943	1,470,925	52.8%	2,785,557
Maintenance and Operations						
5201	Office Supplies	4,040	4,648	5,129	93.3%	5,500
5202	Operating Supplies	26,337	66,069	24,631	82.1%	30,000
5203	Fuel and Lube	49,017	42,303	20,381	53.2%	38,300
5204	Chemicals	4,408	7,424	-	0.0%	6,000
5207	Vehicle and Boat Maintenance	33,396	21,199	9,750	32.5%	30,000
5208	Equipment Maintenance	62,505	69,971	49,562	46.3%	107,000
5209	Building & Grounds Maintenance	40,523	75,056	28,298	43.9%	64,500
5210	Professional Services	19,760	22,272	31,278	80.2%	39,000
5211	Audit Services	47,868	50,922	22,276	50.0%	44,592
5213	Survey and Appraisal	17,500	-	2,500	20.0%	12,500
5214	Rents & Leases	4,563	6,368	4,683	66.9%	7,000
5215	Communications	12,981	12,749	6,112	55.6%	11,000
5216	Freight and Postage	2,028	588	33	0.6%	5,500
5217	Electricity	654,842	556,404	224,919	31.2%	720,326
5218	Water	138,976	171,989	125,193	81.9%	152,874
5219	Sewer	12,383	12,639	10,235	75.1%	13,621
5220	Refuse and Disposal	52,288	33,978	28,237	41.3%	68,300
5221	Property Insurance	106,791	116,336	102,526	80.1%	127,970
5222	Auto Insurance	10,907	11,950	6,313	48.0%	13,145
5223	Liability Insurance	86,006	117,833	120,216	108.7%	110,567
5226	Testing and Analysis	4,073	4,714	2,410	34.4%	7,000
5227	Advertising	6,888	3,268	2,518	36.0%	7,000
5228	Books and Subscriptions	-	-	-	0.0%	-
5231	Tools and Equipment	5,214	39,322	15,377	87.9%	17,500
5233	Computer Related Items	-	1,751	-	0.0%	-
5234	Record and Permits	-	1,004	325	8.1%	4,000
5235	Membership Dues	6,085	6,707	2,848	33.5%	8,500
5236	Transportation	2,201	4,933	2,138	53.4%	4,000
5237	Subsistence	663	1,010	236	7.9%	3,000
5238	Printing and Binding	282	-	-	0.0%	3,000
5248	Lobbying	20,803	25,950	21,000	29.2%	72,000
5249	Oil Spill Response	-	-	101	10.1%	1,000
5250	Camera Area Network	2,423	24,219	20,380	113.2%	18,000
5252	Credit Card Expenses	132,100	115,486	92,917	68.3%	136,000
5256	Waste Oil Disposal	39,136	23,062	23,563	67.3%	35,000
5258	Float and Ramp Repairs	15,624	15,882	28,821	82.3%	35,000

FUND 400 - PORT & HARBOR ENTERPRISE FUND						
COMBINED EXPENDITURES						
A/C Num.	Expenditure Categories & Descriptions	FY24	FY25	FY26 YTD		FY26
		7/1/23 - 6/30/24	7/1/24 - 6/30/25	ACTUAL		7/1/25 - 6/30/26
		ACTUAL	ACTUAL	\$	%	BUDGET
5287	Electrical Supplies	-	-	-	0.0%	2,100
5601	Uniform	11,574	9,541	3,021	31.8%	9,500
5602	Safety Equipment	7,360	9,965	4,949	33.0%	15,000
5603	Employee Training	32,999	28,146	14,515	31.9%	45,500
5606	Bad Debt Expenses	58,210	56,829	30,298	60.6%	50,000
5608	Debt Payment-Interest	(34,567)	-	-	0.0%	-
5614	Car Allowance	-	2,600	2,400	0.0%	-
5624	Legal Services	4,388	7,384	15,281	15.3%	100,000
5627	Security	-	3,564	-	0.0%	-
5635	Software	3,200	3,127	7,480	187.0%	4,000
5637	Diving Services	30,945	2,131	-	0.0%	27,000
5638	Signage Parking Delineation	37,294	58,203	23,350	93.4%	25,000
5999	Loss on Disposal	-	42,773	-	0.0%	-
	Total Maint. and Operations	1,774,014	1,892,270	1,136,204	50.8%	2,236,794
	C/O and Transfers					
5106	Leave Cash Out	73,867	49,513	-	0.0%	59,849
5241	GF Admin Fees	-	-	-	0.0%	-
5990	Transfers To	1,203,680	1,093,800	-	0.0%	1,205,623
	Total Others	1,277,546	1,143,312	-	0.0%	1,265,473
	Total	5,527,022	5,784,525	2,607,129	41.5%	6,287,824



MEMORANDUM

Next Steps for Lot 88-2, Homer Spit Road No. Two Amended

Item Type: Suggestions: Action Memorandum
Prepared For: Mayor Lord and Homer City Council
Date: April 6, 2026
From: Melissa Jacobsen, City Manager

Background: Lot 88-2, Homer Spit Road No. Two Amended (Lot 88-2) on the Homer Spit had a long-term lease that expired in November 2025. As the expiration date approached, the City recognized some unexpected challenges related to the subleases that were managed by the City's tenant, in that most of the buildings were owned by the sub-tenants and not the City's tenant, as required in the City's ground lease. The varied ownership of the structures would have complicated any potential transition to a new tenant for the lot. To mitigate the situation, each building owner was offered an individual short-term lease with the City for the area where their building(s) are located that commenced upon expiration of the long-term lease. The three building owners agreed to the terms and their leases expire December 31, 2026.

Discussion: Lot 88-2 is a .029-acre parcel that is designated as leased land in the City's Land Allocation Plan. The property has water, wastewater, and paved road access and is zoned for Marine Commercial with allowable and conditional uses outlined in HCC 21.28.

Lot 88-2 currently has individual leases with the owners of (1) a restaurant and food service buildings, (2) a gift shop, and (3) a non-conforming residence. According to the current short-term lease agreements, the tenants are to remove the buildings at the end of their lease, and this provision was made clear to all tenants prior to signing the agreement.

Over the past 30 or so years this lot has had various small businesses as tenants and subtenants. Their economic impact has included revenue for seasonal small business owners, sales tax for the City, and lease revenues from the primary tenant. As Port and Harbor services have grown over the years we've experienced increases in harbor users, and visitors and traffic on the Spit. Looking to the future, we see the potential for more growth through float replacement in the existing harbor and the Harbor Expansion project. With the completion of the long-term lease on lot 88-2, it's an opportunity to think about the future of this property after December 31, 2026.

Some possible scenarios to consider include-

- Offer another one-year lease to current tenants that would expire in December 2027.
 - This gives staff, commission, and council time to consider future use through the Land Allocation Plan process.
 - This would mean continued uncertainty for the current tenants who may be looking to make longer-term business decisions.
- Conduct a Request for Proposals (RFP) for the lease of Lot 88-2 for a lease term of up to ten years with no extensions.
 - This will allow continued use of the property for seasonal business owners who submit a successful proposal, while not committing the property for 20 or more years.
 - Business owners leasing from the City have historically hesitated to invest in significant improvements on a parcel that they have for only a limited term. If the existing structures are removed as required under the terms of the one-year leases, the quality of the new construction on the lot could be below the standard the City would prefer.
- Conduct a Request for Proposals and leave it open ended to allow for proposals for long term or short-term leases.
 - This will allow for a proposer to invest in new development on the property.
 - This has the potential of committing the parcel for up to 30 years if a long-term ground lease is put into place.
 - While this would give Council a sense of the level of interest from the public, the cost to prepare a proposal is not insignificant and may deter people who sense that Council is only exploring their options.
- Let the current short-term leases expire.
 - This will require the existing lessees to remove their structures from the lot, which would simplify the land lease process with any future tenant.
 - This gives staff, commission, and council time to consider future use through the Land Allocation Plan process.
- Other ideas?

RECOMMENDATION: Discuss scenarios and provide staff with direction for what information to include at a May 11, 2026 worksession