

City of Seward
PO Box 167
Seward, Alaska 99664



City Manager's Office
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March 19, 2025.

Mayor Peter A. Micciche
Kenai Peninsula Borough
144 N. Binkley
Soldotna, Alaska 99669

Re: CY24 Cruise Ship Passenger Tax Proceeds

Dear Mayor Micciche,

On behalf of the City of Seward, I would like to thank the Borough Assembly and Administration for allocating \$527,982.50 of the Commercial Passenger Vessel (CPV) excise tax to the City of Seward, based on our pro-rata share of cruise ship passengers visiting our port. These funds continue to be extremely critical for Seward's ability to provide improvements to our port infrastructure in support of cruise ships and their passengers.

Annually, the City submits a letter requesting their allotment of cruise ship head tax proceeds, and to identify the intended use of these funds. AS 43.52.230(b) requires that "a city or borough that receives a payment under this subsection shall use the funds for port facilities, harbor infrastructure, and other services provided to the commercial passenger vessels and the passengers on board those vessels."

We have identified the following projects for possible use of the CPV funds, including: 1) bus transportation for cruise passengers and crew; 2) ambulance services; 3) passenger bus and rest benches and directional street signage; 4) cruise ship berth enhancements and amenities such as signage, paving, and cruise-related pedestrian path awnings; 5) harbor repairs/replacement; and cruise-related pedestrian improvements to and from the cruise dock.

In the past, the City has used CPV funds for projects such as construction of a security dock in the Small Boat Harbor to enhance U.S. Coast Guard, fire, and emergency response; Terminal signage and safety painting for vehicles, harbor, and port dredging; bus transportation; outboard replacement for the fire and rescue boats; ambulance services; breakwater repairs, etc.

We appreciate your support of our request and look forward to working with you to enhance facilities for the cruise ship industry in our region.

Sincerely,

A handwritten signature in black ink, appearing to read "Kat Sorensen".

Kat Sorensen
City Manager