



City of Homer

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Office of the City Manager

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April 9, 2019

Honorable Mayor Charlie Pierce
Kenai Peninsula Borough
144 N. Binkley St.
Soldotna, AK 99669

SUBJECT: 2018 Cruise Passenger Tax Receipts

Dear Mayor Pierce,

I am writing to confirm that the City of Homer wishes to receive the 2018 Commercial Vessel Passenger Tax receipts from the Borough. It is our understanding that you will be sponsoring an ordinance that would make the Borough's share of these tax receipts for vessel landings in Homer available to the City. The City appreciates that and understands that the amount to be passed through for calendar year 2018 is \$35,815.

The City of Homer recognizes that these funds must be used for port and harbor improvements that directly benefit cruise ship passengers. The City agrees to comply with the provisions contained in AS 43.52.200 – 43.52.295 and former SB 256 and HB 310. It is the City's intention to apply 2018 funds from the Borough and the State to reimburse the Port and Harbor Enterprise fund for the construction of Ramp 2 restroom.

This project was recently completed (see attached images). Located at the center of the retail area on the Homer Spit and at the launching point for many recreational day trips, Ramp 2 is heavily used by cruise ship passengers when they are in port.

Using the funds in this manner has been previously approved by the Borough and the State. The City of Homer greatly appreciates the opportunity to pool these funds to be able to make meaningful improvements for passengers and leverage funds. In this project, the City's Commercial Passenger Vessel Tax funds leveraged Federal Land and Water Conservation Fund dollars for a 1:1 match. If cruise ship traffic remains constant, the City expects to have reimbursed the Enterprise for the CPV portion of Ramp 2 restroom by 2021.

Thank you in advance for your time and consideration. Please do not hesitate to contact me if you have any questions.

Sincerely,

Katie Koester
City Manager

Enc: Ramp 2 Restroom Project Summary

Cc: Brenda Ahlberg, KPB Community and Fiscal Projects Manager